As of 11 a.m. ET **DJIA** 10575.87 ▲ 0.22% **FTSE 100** 5602.30 ▼ 0.08% **Nikkei 225** 10567.65 ▼ 0.17% **Shanghai Comp.** 3069.14 ▲ 0.52% **Hang Seng** 21207.55 ▲ 0.05% **Sensex** 17052.54 ▼ 0.29% **S&P/ASX 200** 4820.10 ▲ 0.25%

Personal diplomacy: Rio Tinto CEO prepares for China visit
BUSINESS & FINANCE 19

Quotas for women MPs threaten Indian democracy
EDITORIAL & OPINION 13

Australia: A$6.00(Incl GST), Brunei: B$5.00, China: RMB25.00, Hong Kong: HK$18.00, India: Rs25.00, Indonesia: Rp18,000(Ind PPN), Japan: Yen500(Incl JCT), Korea: Won2,500, Malaysia: RM6.00, Pakistan: Rs80.00, Philippines: Peso80.00, Singapore: S$4.00(Incl GST), Sri Lanka: Srs180(Ind VAT), Taiwan: NT$60.00, Thailand: Baht50.00, Vietnam: US$2.50
KKDN PPS 648/11/2010 (028507) KKDN PP 9315/10/2010 (025811) MICA (P) NO. 048/10/2009 SK MENPEN R.I. NO: 01/SK/MENPEN/SCJ/1998 TGL 4 SEPT 1998

THE WALL STREET JOURNAL.

VOL. XXXIV NO. 133 (India facsimile Vol. 1 No. 194) * * ASIA Wednesday, March 10, 2010

DOWJONES A NEWS CORPORATION COMPANY asia.WSJ.com

Beijing Guoan triumphs in Japan

Associated Press

Wang Changqing of China's Beijing Guoan soccer team, center, celebrates after scoring a goal against Japan's Kawasaki Frontale during their AFC Champions League match in Kawasaki, Japan, on Tuesday. Beijing Guoan, which is aiming to become China's first league winner, notched a 3-1 victory over Kawasaki Frontale.

Toyota's cost of recall may top $5 billion

By Mariko Sanchanta And Yoshio Takahashi

TOKYO—The financial impact on **Toyota Motor** Corp. from its global recall could total more than $5 billion over the next year, due to increased incentive campaigns, litigation costs and marketing efforts by the embattled car maker, analysts say.

The critical question facing the world's leading car maker is how long the fallout from the recall will affect sales in North America, its largest market. After a slow start, Toyota is biting back at its critics and has launched an aggressive sales campaign in the U.S., featuring a 0% interest five-year loan offer, competitive lease prices and free maintenance across 80% of its vehicle line-up.

Despite the onslaught of negative media coverage from late January, Toyota's market-share in the U.S. slipped to 12.7% in February from just above 14% the previous month. "The fact that Toyota slipped by only 130 basis points from January to February was pretty impressive," said Kurt Sanger, autos analyst at Deutsche Bank in Tokyo. "How much they can rebound and at what cost will be critical going forward."

Toyota is still set to report a net profit for the fiscal year ending March 31 of 80 billion yen, or about $886 million, reversing a net loss of 437 billion yen the previous year, its first loss in 59 years.

"As there is less than a month left for this fiscal year, the impact won't be significant. But it will severely weigh from the next fiscal year. It is hard to say if Toyota will be able to post a profit easily in the next fiscal year," said Tatsuya Mizuno, analyst at Mizuno Credit Advisory.

Toyota itself has factored in a recall cost of 180 billion yen for the current fiscal year, the only public estimates the company has given of the toll from the current firestorm surrounding the manufacturer. But analysts say total costs going forward will be much higher. A Toyota spokesperson Tuesday declined to comment on analysts' estimates of its costs

Please turn to page 18

■ Toyota slams ABC news report on pedals 18

U.S. bull's birthday spurs worries

By E.S. Browning

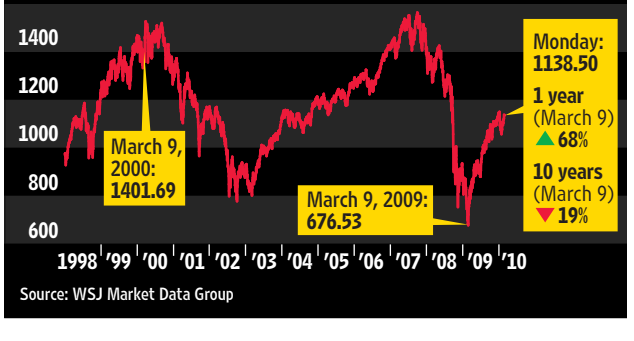
Investors celebrating the new bull market's first birthday on Tuesday may remember a less happy milestone on Wednesday: the 10-year anniversary of the peak of the technology-stock bubble.

The great debate among stock-market analysts these days is whether the market has finally worked off years of excessive prices and can return to steady growth.

Optimists argue that two brutal bear markets have left stocks cheap and attractive, especially if the U.S. government's economic-recovery initiatives succeed. They say investors who were too optimistic in the 1990s are too pessimistic now, and that a recovery in corporate performance could offer investors happy surprises.

Rocky road

The S&P 500 Index rebounded following government interventions in 1998, 2001 and 2008, but remains far below its 2000 high.



Source: WSJ Market Data Group

But some of those who warned of trouble a decade ago are worried again today. They say government interventions in the economy and the market in 1998, 2001 and 2008 kept stocks from fully correcting. Some see signs of bubbles starting to inflate again, notably in certain developing-country stocks.

This uncertainty has fueled a prolonged debate between two old friends, renowned economists Robert Shiller and Jeremy Siegel. They say they've been chewing over the issue during vacations together at the New Jersey shore. Mr. Shiller, a Yale University professor whose book "Irrational Exuberance" warned of the tech bubble just before it burst in 2000, still worries about the market's future. Prof. Siegel of the University of Pennsylvania's Wharton School, whose book "Stocks for the Long Run" was the bible for many investors in the 1990s, is bullish.

Each of them can marshal a slew of data to bolster his viewpoint. Their reputations as forecasters may be affected by which of them winds up being correct.

The past decade has been

Please turn to page 14

Standard Chartered

Forexpertise

Best Emerging Markets Bank
Best FX House in Africa
Euromoney Awards for Excellence 2009

Proven expertise in an unparalleled range of emerging market currencies, from the bank recognised as one of the best in Asia, Africa and the Middle East.

wholesalebanking.standardchartered.com

Standard Chartered Bank is regulated by the Financial Services Authority in respect of its conduct of business in the UK.

PAGE TWO

What's News—

* * *

Business & Finance

■ **China's chief foreign-exchange** regulator suggested the country's appetite for gold purchases may be limited. **3**

■ **Sony's TV business will shift** to attack mode in the next fiscal year as it boosts shipments and pushes 3-D models. **19**

■ **The European Commission** swung behind an initiative by Germany and France to more tightly regulate credit-default swaps, a nearly $40 trillion global market for insuring corporate and government debt. **6**

■ **U.S. stocks gained**, helped by advances in telecom shares after Cisco announced it has developed a faster Internet router. Tokyo stocks slipped, but most Asian markets edged higher. **27**

■ **Barclays is looking** for a U.S. retail bank that would give it more access to deposits after snapping up Lehman's North American business. **24**

■ **China auto dealer Zhongsheng** is seeking up to $544 million from a Hong Kong IPO, far less than $1 billion it had planned to raise. 24

■ **Auto sales rose 46.3% in China** in February, roughly half the rate of previous months. The sales pace is moderating and growth is expected to be between 10% to 15% for the full year. **20**

■ **PCCW 2009 net profit rose** 19% on revaluation gains and strict cost controls. **21**

■ **Airbus parent EADS swung** to a loss in 2009 as problem contracts weighed on the plane maker's results. **21**

■ **Severstal reported** a 2009 loss but provided an improved outlook for this year, helped by recovering markets, cost management and debt-reduction. **22**

■ **Cisco unveiled** a heavy-duty router for managing Internet traffic, as it seeks to regain market share in the arms race to manage telecom networks. **22**

■ **Fujitsu received** a verbal warning from the Tokyo Stock Exchange regarding a change in the explanation of its former president's resignation. **23**

■ **Legend**, the parent of computer maker Lenovo, is taking a stake in brokerage BOC International (China). **24**

■ **General Growth's convertible** bonds were trading at three cents on the dollar near the end of 2003. They are now worth 103 cents. **10**

■ **The U.K. pound and euro** weakened sharply as warnings by credit raters about deteriorating credit quality in Europe prompted investors to seek refuge in the dollar and the yen. **26**

* * *

World-Wide

■ **One of the authors** of an editorial calling for reform of China's divisive household registration system has been forced from his position as a senior editor. **4**

■ **India passed a bill** in the upper house of parliament that would reserve one-third of the seats in national and state legislatures for female representatives. **5**

■ **Indonesian President** Susilo Bambang Yudhoyono was awarded Australia's highest civilian honor on his first official visit to the nation, which has a history of testy relations with Jakarta. He is scheduled to address a rare joint sitting of both houses of parliament on Wednesday.

■ **The Thai government** approved the use of a stringent security law and ordered strict surveillance of antigovernment Web sites ahead of a major protest this weekend. **5**

■ **Japan confirmed** for the first time the existence of once-secret Cold-War era pacts with the U.S. that violated Tokyo's post-World War II principles by tacitly letting nuclear-armed warships enter Japanese ports.

■ **Police in Ireland arrested** seven people over an alleged plot to kill a cartoonist who depicted the Prophet Mohammed with the body of a dog.

Associated Press

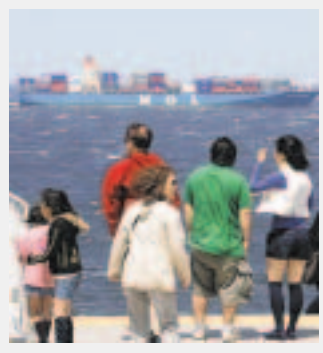
Sony said Tuesday it will launch its 3-D televisions in Japan in June.

Inside

World News: Indian microlenders team up with credit bureaus. **5**

Technology: Intel will use app store to defend netbook turf. **8**

Corporate News: Céline forges high-end image. **20**



Heard on the Street: Smooth sailing at Mitsui OSK Lines. **32**

ONLINE TODAY

Most read in Asia

1. China Signals Defiance Toward U.S.
2. China's Next Leaders Jockey for Spot
3. Massacres Shake Uneasy Nigeria
4. Politicians Butt In at Bailed-Out GM
5. Shanghai's Nightlife Echoes Former Reputation

Most emailed in Asia

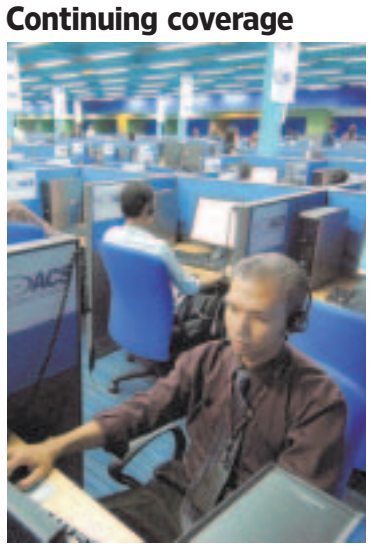
1. Shanghai's Nightlife Echoes Former Reputation
2. Opinion: 'They Need to Be Liberated From Their God'
3. Worries Rebound on Bull's Birthday
4. Taiwan's Greatest Ascent
5. Coupon Clipping Is Newest Extreme Sport

Law Blog

blogs.wsj.com/law

Lawyers, looking to launch a blog? Read this first.

Continuing coverage



Follow the latest news from the U.S. Fed at blogs.wsj.com/economics

The Middle Seat

blogs.wsj.com/middleseat

What rights should airline passengers have?

THE WALL STREET JOURNAL ASIA
Dow Jones Publishing Company (Asia)
25/F, Central Plaza, 18 Harbour Road, Hong Kong
Tel 852-2573 7121 Fax 852-2834 5291
www.wsj-asia.com

SUBSCRIPTIONS and Address Changes, please telephone our local customer service hotline, Hong Kong/Taiwan: 852-2831 2555; Beijing: 86-10 6581 4090; Shanghai: 86-21 5836 8228; Indonesia: 62-21 344 1101; Japan: 81-3 6269-2760; Korea: 82-2 756 1695; Malaysia: 60-3 2026 4061; Philippines: 63-2 848 5873; Singapore: 65-6415 4000; Thailand: 66-2 652 0871. Or email: service@wsj-asia.com

ADVERTISING SALES worldwide through Dow Jones International. Hong Kong: 852-2831 2504; Singapore: 65-6415 4300; Tokyo: 81-3 6269-2701; Frankfurt: 49 69 29725390; London: 44 207 842 9600; Paris: 33 1 40 17 17 01; New York: 1-212 659 2176. Or email: wsja.publisher@dowjones.com

Trademarks appearing herein are used under license from Dow Jones & Company. USPS 337-350ISSN 0377-9920

WORLD NEWS

China appetite for gold seems sated

By Aaron Back

BEIJING—China's chief foreign-exchange regulator suggested the country's appetite for further gold purchases may be limited and offered soothing words about China's role as an investor in U.S. Treasurys.

"Gold is not a bad asset, but currently a few factors limit our ability to increase foreign-exchange investment in gold," said Yi Gang, director of China's State Administration of Foreign Exchange. He said gold doesn't offer good long-term returns because of price swings.

China rarely reveals its thinking on its investment of its foreign-exchange reserves, which at $2.4 trillion is the world's largest. The issue of China's gold holdings has been highlighted since the global financial crisis, as the dollar's movements have prompted academics and officials outside SAFE to recommend more diversification of China's reserves.

Mr. Yi, speaking at a news conference during the National People's Congress, the annual legislative session, said that while China's gold reserves, at 1,054 metric tons, are the fifth-largest in the world, the holdings, at current prices, are only a small part of its foreign-exchange reserves.

Based on data on holdings at the end of last year, gold represented about 1.5% of China's foreign-exchange reserves at current market prices.

Amid continuing jitters about Beijing's appetite for U.S. debt, Mr. Yi also said China holding Treasurys can be mutually beneficial for China and the U.S. China buys and sells U.S. Treasurys on a daily basis and Beijing doesn't want such trading to be politicized, Mr. Yi said. He reiterated that China will be a "responsible investor" in Treasurys.

Mr. Yi said the past 30 years have shown that the return on gold hasn't been great and that given China's heft as a gold buyer, any move Beijing makes to purchase the precious metal would "certainly" increase gold prices.

China's gold holdings are widely watched. In April last year, gold prices rallied when China suddenly acknowledged its gold reserves had risen by 454 metric tons since 2003, to 1,054 tons. Last month, gold prices swung briefly again on an inaccurate report on a little-known Web site that said China was in talks to buy gold from the International Monetary Fund.

China is the world's largest producer of gold and the second-largest consumer behind India, based on data from the World Gold Council. Its annual gold output is about 300 tons, and it consumes about 400 tons on an annual basis, Mr. Yi said. Private holdings of gold held by Chinese individuals has been estimated at more than 3,000 tons, he said.

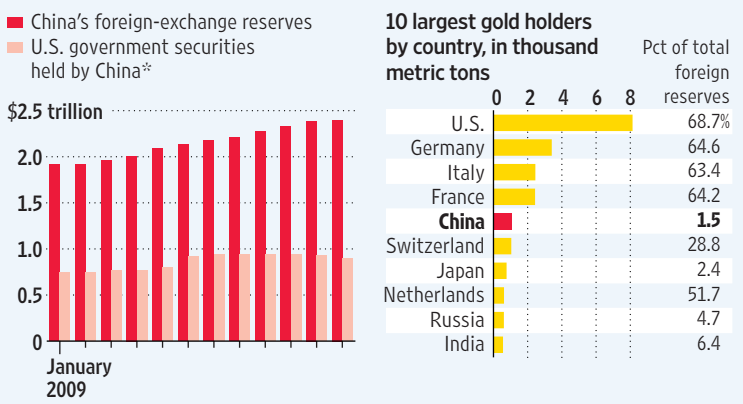
Mr. Yi's remarks on gold had little effect on Tuesday spot trading of the precious metal, which was at $1,122.85 an ounce, down 85 cents from the New York close.

"The market is sensitive to what China plans for its reserves. But gold is quiet, and nobody really expects China to announce their plans," says Anderson Cheung, director of precious metals at Mitsui in Hong Kong.

Mr. Yi, who is also a vice governor of the People's Bank of China, acknowledged for the first time that China is studying whether to inject more capital into China Investment Corp., the country's $300 billion sovereign-wealth fund, but added that Beijing aims to let private investors play a larger role in overseas investment.

—Liu Li and Elisabeth Behrmann contributed to this article.

Diversifying?



10 largest gold holders by country, in thousand metric tons

	0 2 4 6 8	Pct of total foreign reserves
U.S.		68.7%
Germany		64.6
Italy		63.4
France		64.2
China		**1.5**
Switzerland		28.8
Japan		2.4
Netherlands		51.7
Russia		4.7
India		6.4

* Figures since June based on new series reflecting new benchmark survey.
Sources: People's Bank of China (forex reserves) U.S. Department of the Treasury, World Gold Council (gold)

2400 visitors
360 minutes of moving music
One Credit Suisse
supporting the Emerging Artists Series
Famous for excellent performances and as a showcase for future stars, the Hong Kong Arts Festival stirs audiences the same way we look to affect our clients. Through performance. We are proud to be the sponsor of the 'Credit Suisse Emerging Artists Series' and will continue to support up and coming talent as it develops on the world stage.
credit-suisse.com/sponsorship
CREDIT SUISSE
Credit Suisse
Emerging Artists Series
瑞信新晉藝術家系列

WORLD NEWS: CHINA

Author fired over critical editorial

Weekly's deputy editor removed after media outlets jointly carry call for reform of household-registration policy

By Sky Canaves

BEIJING—One of the authors of a bold editorial calling for reform of China's divisive household-registration system has been forced from his position as a senior editor, underlining the tightening limits on expression even as the government promotes greater openness and accountability during the annual session of its legislature.

Zhang Hong, who co-wrote the March 1 editorial, was removed from his post as deputy editor in chief of the Web site at the Economic Observer, according to people familiar with the situation. The weekly paper's top editors also received a harsh warning from the Communist Party's Propaganda Department, the people say.

The editorial was a highly unusual instance of Chinese media outlets uniting to criticize a prominent government policy, and it was especially striking given its publication just days before the start of the National People's Congress, one of the most politically sensitive times of the year in China. The editorial, jointly published by Economic Observer and 12 other local and regional Chinese newspapers, condemned the household registration system as unconstitutional and discriminatory against rural residents. It called on delegates to the congress, and to a related advisory body, to accelerate reform.

The hereditary household-registration, or *hukou*, system dates to the late 1950s and classifies Chinese into urban and rural residents, allocating social services accordingly. As increasing numbers of rural Chinese have migrated to cities seeking work, it has remained difficult for them and their families to become permanent urban residents and get access to education, health care and other benefits—particularly in major cities. Reform has been discussed for years, but the issue has been given renewed impetus in recent months, with top leaders such as Premier Wen Jiabao openly discussing the problem and vowing to improve living conditions for urban migrant workers.

Associated Press

Josh Chin for The Wall Street Journal

Students, above, at a school for children of migrant workers. The Economic Observer, right, carried an editorial denouncing registration.

The timing of the editorial was clearly unwelcome by authorities. The government in recent years has framed the National People's Congress, long seen as a largely ceremonial body that simply ratifies the leadership's policies, as a genuinely representative body, and has even invited public criticism. Mr. Wen, in his annual work report Friday at the start of the session, pledged that the government will "create conditions for the people to criticize and oversee the government" and "let the news media fully play their oversight role." But the scope and nature of acceptable discussion remains strictly constrained.

Major state-run media didn't run the March 1 editorial. It was initiated by the Economic Observer, which ran the piece on its front page and created a special page on its Web site devoted to the issue of hukou reform. The commentary was inspired by an effort last year in which 56 media outlets around the world jointly published an editorial calling for action on global warming ahead of December's Copenhagen summit on climate change. The Economic Observer was one of two Chinese newspapers that joined that campaign.

On Tuesday, Mr. Zhang, the ousted editor, released a letter stating that the reaction to the hukou piece was "far beyond what we initially anticipated." Mr. Zhang didn't explicitly refer to his dismissal in the letter, but said he had been "punished accordingly" and described himself as now being "an independent commentator."

The Propaganda Department didn't respond to a request to comment. Liu Jian, editor in chief of the Economic Observer, declined to comment on the fallout from the editorial, saying it was "inconvenient to discuss such things at this time."

Outside of China's tightly controlled official media, there are hundreds of smaller, commercially oriented publications that aggressively report the news, often testing the boundaries of what is acceptable. While it is no longer unusual for Chinese newspapers to publish independent editorials on important social issues, experts on the Chinese media say they couldn't recall a previous instance in which numerous publications coordinated the printing of a sensitive article that wasn't endorsed by government censors.

The hukou editorial also was posted on the Web sites of many other Chinese newspapers and on major Internet portals, but has since been taken down from most sites. Chinese media have been ordered not to run unauthorized reports on hukou reform during the Beijing legislative meetings, according to people familiar with the situation.

中国实时报
CHINAREALTIMEREPORT

The Wall Street Journal's China Real Time Report ***(http://blogs.wsj.com/chinarealtime)*** *recently looked at Shell's deal with* ***PetroChina*** *and a speedskater's unusual comments in front of TV cameras. Excerpts:*

Arrow on target?

Beijing loves to paint cooperation with overseas companies as a "win-win" arrangement. The problem, foreign executives say, is that it frequently means two wins for China.

So has the $2.96 billion offer made by **Royal Dutch Shell** PLC and PetroChina Co. for Australian coal seam gas producer **Arrow Energy** Ltd. provided a template for future takeover bids? It's possible, though much will depend on whether the deal finally goes through.

Coal seam gas—trapped stores of methane hundreds of meters below the Earth's surface—is one of the world's hottest energy plays. Shell has long been viewed by the market as the likely suitor for Arrow, having bought 30% of its Australian coal seam gas acreage in 2008, so the surprise was that it felt the need to bring China's largest listed oil company on board.

In practice, Shell has good reasons. The Anglo-Dutch oil major is laying off staff to cut costs and is likely to freeze its dividend, so funding an aggressive takeover campaign on its own wouldn't have gone down well internally or with shareholders.

Involving PetroChina in a successful bid would also give Shell a customer for its standalone liquefied natural gas terminal at Gladstone port in Queensland state or Arrow's proposed Fisherman's Landing project, assuming both go ahead.

China's natural gas needs are increasing as Beijing tries to limit the share of coal and crude oil in the country's energy mix. PetroChina is building LNG receiving terminals along its coastline, with plans to expand them if it can secure supply.

Shell may have wanted PetroChina as a partner to reduce the risk of a rival bid emerging. PetroChina's involvement means other Chinese oil companies won't bid as Beijing rarely lets domestic giants compete and drive up asset prices.

Shell signed a strategic pact with **China National Petroleum** Corp., PetroChina's parent in 2007 but doesn't have a lot to show for it up to now.

—David Winning

Mom or the motherland

Eighteen-year-old Zhou Yang became a national hero after she won a gold medal in the women's 1,500 meters short-track speed skating during the Vancouver Winter Olympics. But the girl from a poor family in the northeastern rustbelt of Jilin province also made herself an idol of millions of Chinese youngsters with her remarks after the award ceremony: Zhou didn't thank China first; she thanked her parents—and just her parents.

Associated Press

Netizens-backed skater Zhou Yang.

"The gold medal will bring a lot of changes to my life. I will be more confident and it will improve the life of my parents," Zhou told China Central Television on that day. Such straight talk breaks the tradition of Chinese athletes feeling obliged to thank the government or at least the motherland first and on most occasions, even avoiding the reference to family or themselves.

However, apparently not everyone appreciates Zhou's love of her family and hopes of a better life. One of China's top sports officials criticized the gold medalist Sunday during a group discussion of the annual meeting of the legislature.

Yu Zaiqing, deputy director of the National Sports Bureau and a vice chairman of the International Olympic Committee, told fellow lawmakers, "It's fine to thank your mom and dad [for the gold medal] but one needs to thank the country first and foremost."

Yu called Zhou a kid and said "while the Western way of expression is very good, there were things in her heart that the kid didn't fully express." He was of course referring to the mandatory patriotic element.

"We know very well how much the country needs to invest in the athletes in order to make them champions. The kids also know very well that their coaches have treated them like their own children," Yu said.

Yu's remarks drew a widespread lashing from netizens, who overwhelmingly came out in support of Zhou and questioned Yu's reprimand.

Helped by a highly centralized and heavily funded training system, China has emerged as a sports powerhouse in recent years. Nevertheless, more and more Chinese are questioning its rationale.

—Shen Hong

WORLD NEWS

India's microlenders to share data

Credit bureaus will receive information on the poor to ensure they don't get overburdened as number of loans jumps

By Eric Bellman

India's top micro-finance institutions said Tuesday they will be joining credit bureaus to ensure the world's poorest borrowers don't get overburdened with too many microloans.

India's Microfinance Institutions Network, which represents 31 of India's largest companies that give out small loans to poor entrepreneurs, said its members will start registering details about their borrowers with the national credit bureaus. The microfinance institutions will provide borrowers' names, addresses and loan details to the **Credit Information Bureau (India)** Ltd. and **High Mark Credit Information Services** Pvt. Ltd.

While default rates on the tiny loans for rural entrepreneurs are still below 2%, increasing competition between microlenders to capture customers means the microfinance institutions, or MFIs, have to start keeping track of each borrowers' exposure.

"The overlap between MFIs is increasing. Since there is a general attempt by everybody to grow their portfolios, there could be a negative impact," saidVijay Mahajan, president of the Microfinance Institutions Network and chairman of **Basix**, one of India's largest microfinance institutions. "There have been some pockets where there was multiple lending which lead to over-indebtedness."

The microlending industry has been growing at more than 50% a year for the past three years, as mostly rural borrowers have discovered the power of using loans of usually less than $50 to expand their business and help ends meet.

At the same time the world's biggest investors and banks have discovered they can reach out to try to help the poor while they earn a decent return by backing microfinanced companies with loans and investments.

In the year ended March 31, 2009, the number of microlender clients surged 60% from a year earlier to 22.6 million, according to a report from Access Development Services, a New Delhi nonprofit serving the microfinance industry. This past year has seen a similar surge in growth, despite the global debt crises.

Sanjit Das for The Wall Street Journal

Women exchange money in a microfinance group meeting in Habibnagar, India.

The number of companies that offer small loans to the poor has increased so rapidly that microlenders were competing for the same borrowers in the same villages. In some regions, borrowers were abusing the system by taking out many loans at a time. Some analysts were concerned that rural India could be headed toward a microdebt crisis.

While it is still only a tiny number of borrowers that may be overexposed to microloans, should that borrowing behavior spread, it could threaten the microlending business model by boosting defaults—and damage global enthusiasm about the positive social impact of the loans.

Mr. Mahajan said that on average less than 10% of the people with microloans are borrowing from more than one microlender. Still, the microfinance institutions decided to join credit bureaus to calm concerns among the fans of microlending.

It will take around one year to register the more than 20 million borrowers that have loans through the members of the Microfinance Institutions Network, which represents most of the microfinance industry in India, Mr. Mahajan said. Once all borrowers are registered, it will be easier to ensure none of them are taking on more debt than they can handle.

The Microfinance Institutions Network also announced plans to build a self-regulatory code of conduct for its members to ensure the poor aren't being exploited or overexposed to debt.

One of the basic guidelines will be that no borrower should have loans to more than three lenders or have total loans outstanding of more than 50,000 rupees (about $1,100), Mr. Mahajan said.

He said the organization hopes to set the industry's standards so investors, lenders and philanthropists don't have to worry that microlenders are misleading the poor.

—Arlene Chang contributed to this article.

Bill for female Indian lawmakers advances

By Krishna Pokharel And Vibhuti Agarwal

NEW DELHI—India crossed the first hurdle to realizing a new law aimed at bringing more women into national politics, passing a bill in the upper house of parliament that would reserve one-third of the seats in national and state legislatures for female representatives.

The vote is a victory for the ruling Congress party and its president, Sonia Gandhi, but they still face the risk of alienating party allies who support the government but oppose the new law.

The bill still has to be passed by the lower house, then by at least half of India's 28 states before it reaches the president for approval. The law would introduce the quota system for 15 years from enactment.

On Tuesday, several lawmakers opposing the bill were forced out of the parliament by marshals after they tried to disrupt the proceedings, as they did Monday. Members of the Trinamool Congress party, part of the Congress-led ruling coalition, abstained from the vote, but said that didn't mean they were leaving the government.

The government already runs the risk of losing support from two allies that want the quota to apply only to women from the lowest rungs of Hinduism's hierarchy and the Muslim minority. The Samajwadi Party and the Rashtriya Janata Dal party have electoral bases in two of India's poorest states, Uttar Pradesh and Bihar, respectively.

The bill passed the upper house with only one legislator in the house voting against it.

The main opposition Bharatiya Janata Party, along with left-wing parties and regional parties from the southern Indian states, voted for the bill. In the debate before the vote, legislators across a wide political spectrum hailed the role Indian women played in society, yet noted they were still subjected to unequal treatment and suffering.

The bill would help India's women out of the "cultural prison" that stifles their freedom, said Brinda Karat, of the Communist Party of India (Marxist). One male parliamentarian supporting the bill said India weathered the economic downturn well because of the thriftiness of millions of Indian housewives, in contrast with "liberated" women in developed countries.

"Our women face discrimination at home, face domestic violence and face unequal access to education and health care," said Prime Minister Manmohan Singh of the debate. "This all has to end" if India is to realize its full potential for social and economic development.

IN BRIEF

Reuters

A Thai policemen stands guard at a highway checkpoint outside Bangkok.

Thai government approves use of strict security law

BANGKOK—The Thai government approved Tuesday the use of a stringent security law and ordered strict surveillance of antigovernment Web sites ahead of a major protest this weekend.

Supporters of former Prime Minister Thaksin Shinawatra, who was deposed in a 2006 coup, have called for a "million man march" to begin nationwide Friday and converge in the capital, Bangkok, on Sunday.

Analysts predict a lower turnout, but Prime Minister Abhisit Vejjajiva's government fears a repeat of April 2009 when tens of thousands of Thaksin supporters paralyzed major Bangkok intersections, and sparked violence that left two dead and more than 120 injured.

The Internal Security Act will be imposed Thursday and remain in place until March 23 in Bangkok and in parts of the six provinces that are gateways to the capital, government spokesman Panitan Wattanayagorn said after the cabinet vote.

The law gives the prime minister authority to use the military to restore order, and to impose curfews and restrict freedom of movement when situations are deemed harmful to national security.

Myanmar details new law that will govern election

YANGON, Myanmar—Myanmar's ruling junta will appoint the commission that will have final say over the country's first elections in two decades, state-run newspapers said Tuesday as the country's military rulers began unveiling the laws that will govern this year's balloting.

There are growing fears among pro-democracy groups that the election—a date for which hasn't been announced—will be weighted in favor of the military and its supporters, and the first of five election-related laws to be published is likely to increase that unease.

The laws enacted Monday will set out the mechanisms and rules for the election and campaigning, and the conditions under which parties may participate. Details are to be released in the state-run media over the coming days.

The first law, detailed Tuesday, is the Union Election Commission Law, which stipulates that the junta will appoint a Union Election Commission with a minimum of five members including the chairman. Decisions by the commission would be final.

IN THE SUPREME COURT OF BERMUDA
CIVIL JURISDITION
COMMERCIAL COURT
2005: No. 288

IN THE MATTER OF THE COMPANIES ACT 1981 SECTION 67
AND IN THE MATTER OF BALI ENERGY LIMITED
BETWEEN

PT TENAGA BUMI BALI
Applicant
-and-
BALI ENERGY LIMITED
First Respondent
-and-
KOJI MATSUMOTO
Second Respondent

REQUEST FOR TENDER PROPOSALS TO PURCHASE 360,000 SHARES IN BALI ENERGY LIMITED(the "Company"")

By an order dated 25 February 2010 the Supreme Court of Bermuda has ordered the Sale of a block of **360,000 shares** in **BALI ENERGY LIMITED**, a company incorporated in Bermuda whose registered office is Clarendon House, 2 Church Street, Hamilton Bermuda, which presently stands in the name of **PT TENAGA BUMI BALI**. The block of 360,000 shares represents 0.0069% of the issued share capital of the company.

Information on the shares and BALI ENERGY Limited can be obtained by contacting Bali Energy Limited at:

JI Raya Denpasar – Singaraja
Dsn. Bukicatu, Kec. Baturiti. Kab.
Tabanan, Bali 82191 Indonesia
Attn. Ira Hata, CEO
Telephone +62-361-744-3986
Or email to: ihata@gol.com

Tender proposals are to be submitted to BALI ENERGY LIMITED **no later than 5.00 p.m. Atlantic Daylight Time on 31 March 2010.**

The Company is not obliged to accept the highest or any tender.

WORLD NEWS

EU backs tighter regulation of CDSs

Barroso takes aim at speculative derivative trades after Merkel puts a priority on reforming the market

By Patrick McGroarty And Carolyn Henson

LUXEMBOURG—The European Commission swung behind an initiative by Germany and France to more tightly regulate credit-default swaps, a nearly $40 trillion global market for insuring corporate and government debt.

EU President José Manuel Barroso said in the European Parliament on Tuesday that he would support the initiative, even going so far as to ban speculative derivative trades.

"These markets are as mobile as they are opaque. The commission will raise this question with our international partners, notably at the level of the [Group of 20 industrialized and developing nations]," he said.

Ahead of meetings in Brussels next week, German Chancellor Angela Merkel earlier Tuesday put reforming the CDS markets at a higher priority than the creation of a European monetary fund, a longer-term project that would back up euro-zone countries in times of financial stress.

Europe would prefer moving in tandem with the U.S. and other major economies, but is willing to forge ahead on its own, Ms. Merkel said after a meeting here with Luxembourg Prime Minister Jean-Claude Juncker, who currently heads the Eurogroup representing the countries sharing the euro.

"Germany, France, Luxembourg and Greece will ask the [European] Commission, regarding credit-default swaps, to take up an initiative that addresses speculation," she said.

European Pressphoto Agency

Jean-Claude Juncker, left, president of the Eurogroup, escorts German Chancellor Angela Merkel in Luxembourg Tuesday.

European policy makers have highlighted the ability of investors to bet on a decline in a borrower's creditworthiness, suggesting it has destabilized the market for government bonds and might have added to the pressure on Greece's national finances.

Credit-default swaps are tradable, over-the-counter derivatives that function like an insurance contract for debt default.

If a borrower defaults, the protection buyer is paid compensation by the protection seller. Swap buyers may be protecting investments they own or simply making bearish bets against companies or countries.

"It's important that this is done on the American side, too, but we think that a step ahead from our side, from the European Union, would help us," Ms. Merkel said in a joint news conference.

Ms. Merkel and Mr. Juncker both offered support to the idea of a European monetary fund, but cautioned that establishing such a fund would be complicated and take time.

It wouldn't be an option for aiding Greece, where a severe debt crisis has shaken faith in the common euro currency.

The Eurogroup will discuss options for regulating credit-default swaps and other derivatives when they meet in Brussels on March 16, an EU official said Tuesday.

As of mid-2009, the outstanding face value of the CDS market totaled $36 trillion globally.

Calls for new rules to enforce more central clearing and greater transparency of CDSs aren't new, although their repetition may appease political demands for action against these instruments in the light of Greece's woes.

The European Commission, the EU's executive arm, announced in October that it is drawing up rules this year to encourage banks and their customers to trade standardized over-the-counter derivatives on exchanges, clear them through clearing houses and report details of them to data warehouses to reduce the impact of a default by one counterparty and to improve transparency in the market.

The commission plans to increase costs for banks that don't clear derivatives through central clearing houses, by requiring them to hold larger amounts of capital against potential losses.

To underpin this initiative, it also plans to finalize rules in the summer designed to ensure the safe operation of clearing houses and trade-data warehouses.

Christian Noyer, a governor of the European Central Bank, said Tuesday that CDSs on sovereign debt should be cleared through clearing houses, under the control of a supervisor.

"Clearing houses should be set up in each of the largest currency zones where [CDSs] are traded ... under the control of each zone's supervisors," Mr. Noyer said at a news conference in Paris.

Adair Turner, chairman of the U.K.'s Financial Services Authority, said there are significant questions about the value of allowing speculators to undertake "naked" trades where the trader doesn't hold the debt on which these instruments are based.

Bankers and regulatory consultants said regulators will face a complex challenge in trying to go a step further by banning or limiting certain kinds of sovereign CDS trading.

But industry experts point out that trading "naked" sovereign CDSs isn't always a speculative activity.

—Adam Bradbery, Andrea Thomas, Nathalie Boschat and Gabriele Parussini contributed to this article.

Religious massacres shake an uncertain Nigeria

By Will Connors

DOGO NAHAWA, Nigeria—The attackers came at night and surrounded this small farming village, firing shots in the air to scare residents from their homes. Men, women and children were hacked with machetes as they rushed out. Several houses were set on fire with residents still inside.

Details are emerging about the attacks Sunday on four villages in central Nigeria, where witnesses say members of the predominantly Muslim Fulani ethnic group targeted villages that were home to members of the mostly Christian Berom ethnic group. On Monday, local officials counted 378 bodies in the villages of Dogo Nahawa, Rasat, Zot and Shen.

The dead, in a freshly dug mass grave, included a pregnant woman and at least one infant. A few miles away in Jos, a city of a half million at the crossroads of Nigeria's Muslim north and predominantly Christian south, troops patrolled the outskirts and set up checkpoints. There was a light police presence in Dogo Nahawa.

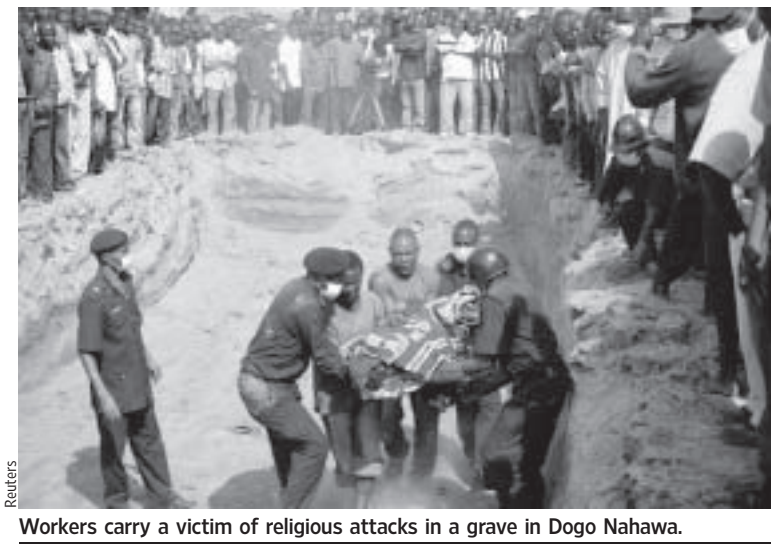
"I was sleeping at night next to my husband when I heard shooting," said villager Nomi Dung, 38 years old, her eyes red. "My husband told us to run, but I said, 'No I will not run—even if I die, let me die in my home.' My husband ran, and entered into the [attackers'] hands. My children ran outside because they were afraid from the shooting." Ms. Dung couldn't finish. A relative said her children, 8, 5 and 3, were killed.

The violence compounds the political uncertainties in Africa's most-populous nation. With sub-Saharan Africa's largest Muslim population, Nigeria has largely avoided extremist ideology. But the threat of a deeper religious divide adds to security problems and a leadership vacuum that have prompted worries that one of the world's largest oil-producers could be out of control.

Nigeria's ailing president, Umaru Yar'Adua, has traveled abroad frequently for medical treatments and hasn't been seen in public for three months. His vice president, Goodluck Jonathan, has been given temporary executive powers and control over the military, but has faced resistance from aides loyal to Mr. Yar'Adua. Meanwhile, militants have attacked energy pipelines belonging to Western multinationals and one major group recently abandoned an amnesty deal with the government.

After Sunday's killings, United Nations Secretary-General Ban Ki-moon and U.S. Secretary of State Hillary Clinton both called on the involved parties to exercise restraint.

Mr. Jonathan deployed the military to Jos and said the situation was under control. He fired the country's national security adviser Monday, according to a statement.



Reuters

Workers carry a victim of religious attacks in a grave in Dogo Nahawa.

The weekend's attack appeared to be a reprisal for violence that claimed at least 300 lives in January, when Christian villagers targeted Muslims in a separate, nearby village, according to rights groups.

Officials and witnesses say the latest attack appeared well planned and brutally executed. The attackers didn't shoot victims, but rather shot into the air to lure residents out of their homes, where they awaited with machetes.

Apart from a few incidents of panicked stampeding, Jos remained tense but calm Monday. Heavily armed soldiers were seen driving through the city in convoys.

At a mass burial Monday in Dogo Nahawa, site of the worst violence, residents talked of revenge as they gathered around a large pit and scattered dirt on several dozen charred and bloodied bodies, some brought from neighboring villages. When an infant was lowered into the pit, women broke out in wails.

A village chief chastised area youth for not being ready to fight. "This is a lesson," the chief said. "Now is the time for everyone to wake up. Elders are calling you youths to come out."

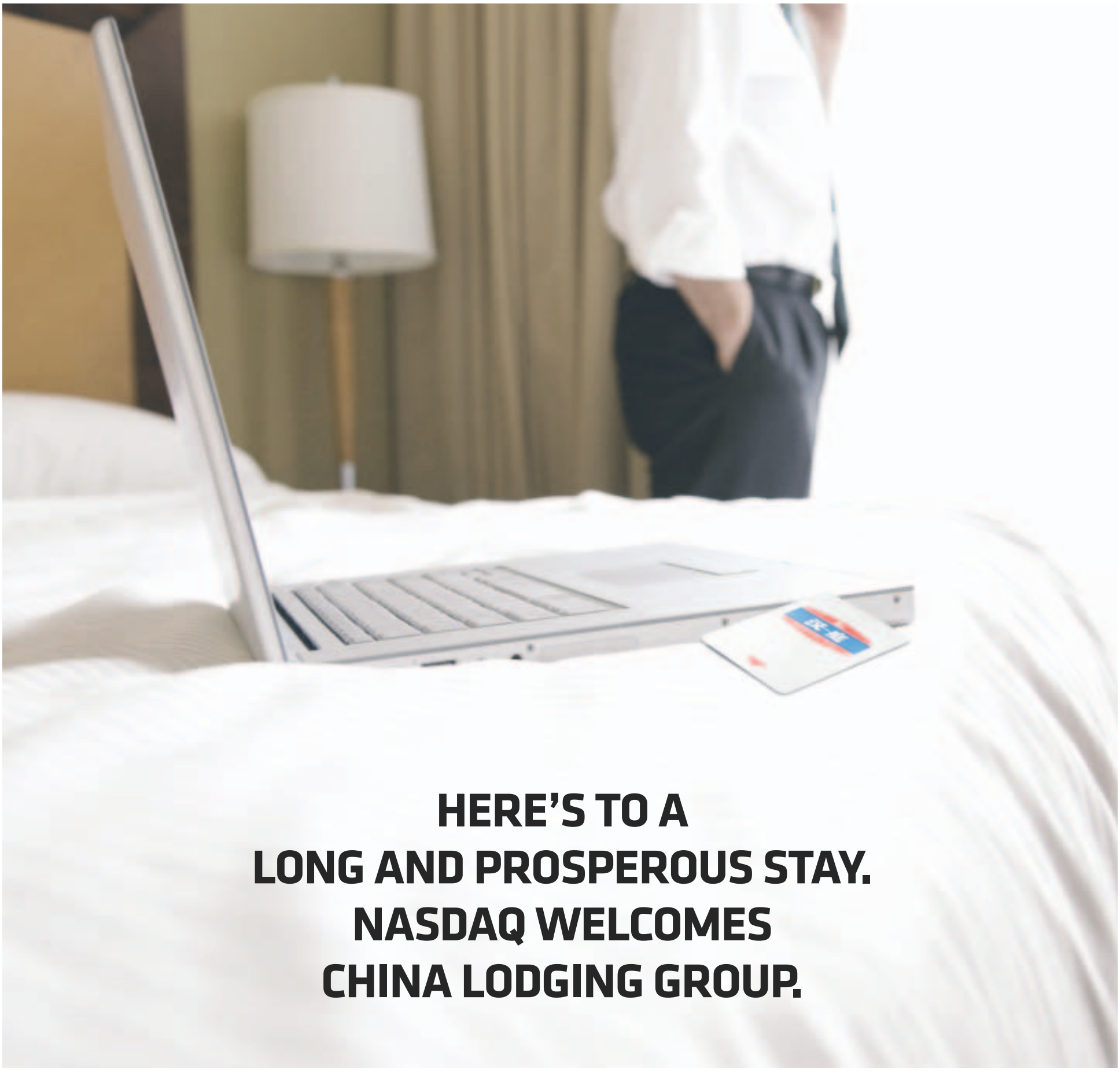
An elderly woman prayed at the edge of the burial pit, chanting. "By God's grace we will enter their villages and kill their women and children," she repeated.

When plumes of dust appeared in the distance during the burial service, mourners began to worry the attackers were coming back. The dust was actually being kicked up by a truck carrying the bodies of 16 more victims, including an infant and a toddler, from another village.

Officials of the villages collected 378 bodies, according to Solomn Zang, the commissioner for works and transport in Plateau State, where Dogo Nahawa is located.

Dogo Nahawa sits amid rolling hills, surrounded by former tin and columbite mines. Residents are mostly farmers, cultivating corn and acha, a type of rice called "hungry rice" because of its small size.

At the burial service, Solomn Zang, commissioner for works and transport in Plateau State, where Dogo Nahawa is located, said that the military wasn't sufficient for protection. "God willing, we will do something about this," he said. "Next time if this happens you shouldn't call the police or the military, call on your neighbors to come and fight."



HERE'S TO A LONG AND PROSPEROUS STAY. NASDAQ WELCOMES CHINA LODGING GROUP.

NASDAQ welcomes China Lodging Group, Limited, a leading economy hotel chain serving both business and leisure travelers in 39 cities throughout China. With just five hotels in 2005, there are now 236 hotels under three brands of HanTing Express Hotel, HanTing Seasons Hotel, and HanTing Hi Inn. And in 2009 alone, more than three million customers chose China Lodging Group properties as their home on their journey. Now, their own journey has brought China Lodging Group to NASDAQ, where we look forward to providing them with the innovation and support they need to continue their growth.

汉庭 HANTING INNS & HOTELS

汉庭连锁酒店
HANTING INNS & HOTELS

HTHT
NASDAQ®
LISTED

Neither The NASDAQ OMX Group, Inc., nor any of its affiliates (collectively "NASDAQ OMX") makes any recommendation to buy or sell any security or any representation about the financial condition of any company. Investors should undertake their own due diligence and carefully evaluate companies before investing. ©2010. The NASDAQ OMX Group, Inc. All Rights Reserved.

Getty Images

Intel CEO Paul Otellini, shown in January during his speech at the Consumer Electronics Show in Las Vegas, has focused on using the Atom processor to attack new markets, such as smart phones.

Intel seeks to foster apps as it pushes into netbooks, phones

Chip maker partners with Dell, Samsung and Acer to encourage developers to make apps for Atom devices

By Jerry A. DiColo

Apple Inc.'s online application store dominates the smart-phone space, but **Intel** Corp. sees a chance to use a similar software store to defend an important new market—netbooks.

With its AppUp Center, announced earlier this year and set to be pre-installed on netbooks from several computer makers, Intel is attempting to use the popularity of downloadable applications in smart phones to help take its popular Atom chip into new markets.

If it can build a critical mass of developers, an app store for devices running on Atom could also provide a needed runway for the chip's adoption in smart phones, televisions and other gadgets. Intel is hoping to extend its success in netbooks with a smart phone made by **LG Electronics** Inc., expected later this year.

"In an Atom-based device, whether it's in a handset or in a television ... where are you going to get the apps that have been optimized and validated and tested to work?" said Renee James, who runs Intel's software division. "We talked to all of our partners and they said, 'Ok, Intel, why don't you do that.'"

Intel said **Dell** Inc., **Samsung Electronics** Co., **Acer** Inc. and others will be its initial partners in the plans to roll out stores in coming months. The stores will be branded and designed by PC makers but run by Intel.

Many smart-phone makers are building apps stores for their specific product lines. But Intel wants to tap developers making software for both smart phones and personal computers, offering a much larger base from which to cull applications.

Developers say Intel has made it easy to transfer software sold elsewhere into its store. And by creating software that will work on any devices running on an Intel chip, regardless of the brand, developers expect to have access to more customers—although it remains uncertain whether apps are as attractive to users of netbooks as they are for smart phones.

Building an apps army the size of Apple's is a far-off goal. Intel only has a few hundred apps in the beta version of its AppUp Center now available, compared with more than 100,000 in Apple's store and tens of thousands for **Google** Inc.'s Android operating system.

Intel, though, is the first to focus on netbooks. "On this platform, we're in a situation where we are in a wide-open marketplace, and the question is whether they can create a center of gravity," **Gartner** analyst Ray Valdez said.

Over Thanksgiving, Chris Skaggs, cofounder of software developer **Soma Games**, decided to follow the success of his mobile game "G: Into The Rain" for the iPhone with a run on Intel's store.

"What I'm excited about is once that app store starts being installed on the netbooks," Mr. Skaggs said. "When it came pre-installed, I knew it was going to be a huge opportunity."

Meanwhile, Angus Hewlett, head of U.K.-based **FXpansion**, which makes music-mixing software, has put the PC-version of his digital beat-box software, on the Intel store as well.

"It is more comparable to selling through Amazon.com," Mr. Hewlett said. "If it allows us to reach customers that we wouldn't otherwise reach, then by all means."

But some question whether Intel has any way to stand out among the many app stores now appearing, and whether customers will crave app-like features on PCs.

Most mobile-phone operators have app stores, and last month 24 telecom companies, including **AT&T** Inc., **China Mobile** Ltd., **Vodafone Group** PLC, formed the Wholesale Applications Community in an attempt to unite developers and network operators in a single coalition.

"Clearly the app store is powerful. It would be hard to argue," said Mike Rayfield, head of mobile business at **Nvidia** Corp., a graphics chip maker.

But on devices larger and more powerful than smart phones, such as netbooks and tablets, Mr. Rayfield said consumers will likely turn to the Web instead of apps. "Whether it be applications, content, the Web is going to be the real app store," he said.

As the world's largest chip maker, Intel has the financial muscle and software resources to try to use applications for netbooks to push deeper into the mobile market.

While the vast majority of its revenues are generated by chips used in PCs and servers, under Chief Executive Paul Otellini the company has focused on using the Atom processor to attack new markets, such as smart phones and televisions.

Intel's Ms. James said it falls to the company to create a software environment that supports its effort to push deeper into new markets like cellphones and TVs. "The worst thing that could happen is they could build an Atom-based smart phone, and then where is the app store?," she said.

Microchip expects continued growth

Consumer demand in Asia, new products and new trends such as e-tokens and mechanical meters to boost revenue

Steve Sanghi is chairman, chief executive and president of Nasdaq-listed ***Microchip Technology*** *Inc., an Arizona-based semiconductor manufacturer of microcontrollers and analog chips used in consumer electronics, automotive and medical devices. Prior to joining the company in 1990, the 53-year-old executive held positions at Waferscale Integration Inc. and Intel Corp. Mr. Sanghi recently spoke with Yun-Hee Kim about the outlook for the semiconductor industry this year, and the company's growth and expansion plans in Asia. The following is a translated version of the interview.*

Microchip Technology

'We're seeing the strongest growth in Asia—and in China in particular,' says Steve Sanghi, head of Microchip Technology

WSJ: What's your view on the outlook for the semiconductor industry this year?

Mr. Sanghi: The average revenue decline for semiconductor companies from September 2008 to March 2009 was 40%, which is a very severe drop. Then most companies started seeing a recovery from June 2009. That recovery has continued and picked up steam and is continuing into March.

The recovery is driven by three factors: inventory replenishment, various stimulus packages around the world, and new applications from a large number of companies driving demand for chips. New products such as 3-D [three-dimensional] TVs which we never had before, is also driving the semiconductor market. (Microchip says it is a supplier of chips to 3D TV manufacturers.) Also, new trends such as e-tokens and mechanical meters are also driving growth for the industry.

WSJ: Would you call this a full-fledged recovery then or is the recovery linked to the stimulus packages? If stimulus packages were to end would we still see a rise in consumption?

Mr. Sanghi: That's a million-dollar question. I don't think anyone really knows the answer. But my view is that the missing piece is jobs. While many people are losing jobs in the U.S. and Europe, in China and Third-World countries, a large number of people that weren't consumers before are pouring into the city centers working in factories and getting jobs and producing stuff.

As they pour into city centers, they are becoming consumers of TVs, refrigerators, washers and dryers. Even though there are some jobs missing in the U.S. and Europe, that's making up for it.

WSJ: IWhere are you seeing the strongest growth?

Mr. Sanghi: We're seeing the strongest growth in Asia—and in China in particular. China is now 24% of our business in terms of revenue. Asia is 50% of our business.

WSJ: Do you see this trend continuing where Asia will continue to contribute more to your revenue?

Mr. Sanghi: This trend will continue. Part of the reason is a lot of U.S. and Europe manufacturing is moving to China. Driven by manufacturing here, there's almost no question that China in particular and Asia in general will continue to outgrow the U.S. and Europe.

WSJ: Any plans to build a fab, or chip-making plant, in Asia given that you're seeing strong demand from this region?

Mr. Sanghi: Another fab isn't on the horizon in the short term. We have two 200-millimeter wafer fabs. In addition, we are building our partnership with various foundries in Asia. And we will grow our revenue through contribution with these foundries, rather than building our own fab. (Microchip works with chip foundries including Taiwan Semiconductor Manufacturing and United Microelectronics Corp.)

WSJ: A lot of global chip makers are moving toward a fabless model given that costs are rising as they move into more advanced technology processes to cut chip-manufacturing costs. Is there a possibility that you might go completely fabless and outsource production to companies such as TSMC and UMC?

Mr. Sanghi: We do not have any plan like that. What we like is a hybrid model—or asset-lite model.

WSJ: What's your secret to maintaining profitability even during downturns such as 2001, and 2009?

Mr. Sanghi: We sell a product based on the value we build in the product so they are high margins. We mix and match process expertise from various sources to create a very proprietary process to which we can offer unique capability to the customer. In our business model, being fabless isn't where we are headed. We simply use our foundries to augment our capability. We continue to use more and more foundries, but won't go fabless.

WSJ: Any fund-raising plans?

Mr. Sanghi: We haven't raised money for 12 years. During the 12 years, we built $1.5 billion in cash in the bank. We are building positive cash flow every quarter, even after spending the capital that we need.

Part of the secret is we're not on the bleeding edge of the process technology [which] is very expensive. We try to differentiate our product through the technology mix as well as architecture invention. As a result, our capital expenditure is quite reasonable. And we're able to generate that from our profits and still add to the treasury.

WSJ: What's your earnings projection for this year?

Mr. Sanghi: Our estimate for the quarter ending March 31 is 39 to 41 cents a share on a [non-generally-accepted-accounting-principle] basis. The same number a year earlier is 15 cents. This is massive growth. We're expecting continued strong revenue and earnings growth.. If you do a year-over-year comparison, the earnings will obviously come down. It doesn't slow down on a sequential basis.

WSJ: What are you planning to do with the $1.5 billion you have?

Mr. Sanghi: We are looking at small acquisitions—small technology companies, many of them private, some public who are in the business of microcontrollers. We're looking at acquiring them if it's at the right price and if they are the right deals. Despite doing four-five deals in the last year, we are still building cash.

WSJ: Are you looking to hire more people in Asia given growth here?

Mr. Sanghi: We have a total work force of about 5,200 and have 150 positions open globally. We're adding sales and application people in Asia, and also adding people in development centers.

WSJ: Why should investors look at Microchip? The demand picture may be bright, but there could be another downturn and the semiconductor industry is very cyclical.

Mr. Sanghi: The semiconductor industry is known for cyclicality. However, Microchip in fiscal 1993 did around $80 million [in revenue] and we're over a billion dollars now. Through these ups and downs, the business has grown quite substantially. The market value of Microchip since its initial public offering in 1993 has risen to over $5 billion.

For long-term investors, it's a very, very good deal. ... We largely talk to longer-term investors and show them that we have a steady dividend, steady market share growth, high profitability and low capital expenditure as well as continued growth through the good times and bad.

Bazaar: Hong Kong

What they're buying at Asia's gadget emporiums

Xtreamer

The place i-Shop, 2/F Wanchai Computer Center, Wanchai

The good Xtreamer multimedia streaming device

The specs You have loads of movies on your PC, but watching them on a laptop screen just doesn't convey the cinematic thrill that high definition provides, nor does it take advantage of your souped-up home theater with surround sound. The Xtreamer, a Korean-built device aiming for a global market, is a one-kilogram black box that bridges the gap between a media-packed computer and an HD setup. The Xtreamer will handle an alphabet soup of video formats (MPEG, VOB, AVI, FLV), stream that video wirelessly with a separately sold antenna, and output digital audio and video in 1080p resolution over an HDMI cable. It also has a composite video connection, though that won't handle HD. The gadget will show your photos and play your music as well. The Xtreamer can also play files over a USB connection and has a bay for an optional internal hard drive to add even more storage.

The price 1,380 Hong Kong dollars (US$178)

The deal: The salesman at i-Shop described the Xtreamer with every Hong Kong salesman's favorite words, "new model," and offered to sell the Wi-Fi antenna for just HK$99 with purchase of the Xtreamer—down from HK$399 sold separately. A visit to the manufacturer's Web site, however, suggested a better deal could be had: Xtreamer.net's online shop offered the device and the Wi-Fi antenna for just US$139.15, a better price even after the US$28 charge to ship to Hong Kong. —Miguel Gonzalez Jr.

THE PROPERTY REPORT

General Growth debt bet pays richly

Individual investors join hedge funds as winners, as bonds' value rises from three cents on the dollar to 103 cents

By Gina Chon

Going bargain hunting at the mall has rarely been so rewarding.

When the U.S.'s second-biggest mall owner was tumbling toward bankruptcy near the end of 2008, a handful of investors dug to the bottom of the discount bin and snapped up the company's convertible bonds at three cents on the dollar.

Today, these **General Growth Properties** Inc. bonds are worth 103 cents—one of the great trades of the financial crisis.

The return is "almost nonsensical," says William Welnhofer of investment firm Robert W. Baird & Co., which wasn't a buyer.

Shares of General Growth, which itself is still under bankruptcy protection, also have proved a home run, hitting a low of 32 cents and opening at $14.60 Tuesday. After being delisted last year, the shares were relisted on the New York Stock Exchange on Friday.

General Growth on Monday bolstered its case for exiting bankruptcy as a stand-alone company by lining up nearly $4 billion in commitments from creditors **Fairholme Capital Management** and **Pershing Square Capital Management**.

The pledges would bring the mall owner closer to eliminating most of its $7 billion in unsecured debt, in its effort to compete with a bid by rival **Simon Property Group** Inc.

Other winning trades have emerged since the credit crisis took hold in 2007, including against subprime mortgages, against financial firms, and eventually on financial firms' post-bailout recoveries. Many of these trades were by hedge-fund managers. With the General Growth trade, some individuals benefited.

Fund firm **T. Rowe Price Group** Inc. spotted the convertible-bond opportunity early. David Lee, manager of the firm's $2.3 billion real-estate mutual fund, invested about $11 million in the bonds over the last six months of 2008, including at near-bottom prices, according to the fund's 2008 report and a person familiar with the matter.

Last year, General Growth convertible bonds were the fund's best-performing investment, valued at $61.8 million. The fund rose 32% in 2009, compared with a decline of 39% in 2008. The investment "generated excellent results," the fund said in its 2009 annual report.

Today, the Chicago-based mall owner is the subject of a bidding war. And even its shares, which are usually wiped out in bankruptcy, have rebounded.

Convertible bonds give holders the right to convert the bonds into common shares if the stock goes above an agreed-upon price. Long popular among hedge funds, the convertible-bond market collapsed by half in 2008, analysts say.

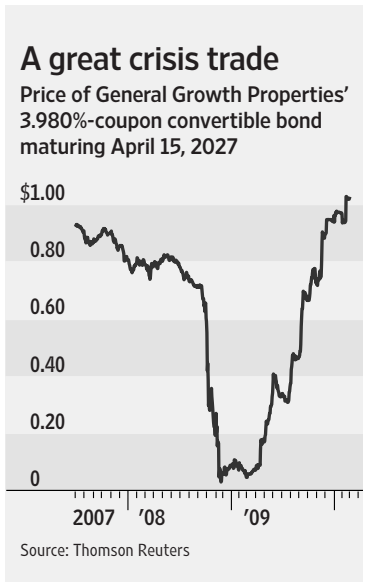
General Growth's woes were partly tied to the broader market's. But it also had loaded up on debt to snatch up properties.

The company, which owns about 200 malls across the U.S., issued $1.5 billion in convertible bonds in April 2007, largely to pay back other debt. The notes paid 3.98%, which represented $88.72 per share, an exchange premium of 35% to the share price at the time.

When the credit markets dried up and General Growth was unable to refinance or extend various debt payments that were due.

The convertible bonds approached bottom in November, when the company said its inability to refinance or extend $1 billion in debt due at the end of that month could cause a default on billions of dollars it owed and its ability to continue operations would be in "substantial doubt."

Still, some investors were confident that given its assets, General Growth could be strong again if it could overcome its credit woes. Investors who bought General Growth stock, like Pershing's Bill Ackman, or its convertible bonds bet that the firm just needed some help to meet its short-term obligations and would emerge from bankruptcy in a healthier position.



General Growth has a high occupancy rate and quality assets, such as South Street Seaport in New York, Water Tower Place in Chicago, Ala Moana Center in Honolulu and Tysons Galleria in McLean, Va.

Its assets, almost $30 billion, exceeded its liabilities of $27 billion when it filed for Chapter 11 protection in April 2009. That is unusual for a bankruptcy, says Ronen Bojmel, managing director at Miller Buckfire, an adviser to General Growth.

Immediately after the bankruptcy filing, the convertible bonds began trading higher, breaking 50 cents on the dollar in September. News of interest in the company by Simon Property and others propelled the value of the bonds even higher.

Some investors who had missed the bottom still saw opportunity. Bruce Berkowitz at Fairholme, a New Jersey-based investment advisory firm, bought $2 billion of General Growth's $7 billion of unsecured debt, including a chunk of the convertible bonds, which he says he bought at an average price of 80 cents on the dollar.

"We thought it was money good," Mr. Berkowitz says.

—Kris Hudson and Jeffrey McCracken contributed to this article.

Business Real Estate

UNITED STATES

APOLLO
GLOBAL REAL ESTATE

Apollo Global Real Estate Management

is pleased to announce the formation of

Apollo Global Real Estate Management, Asia Pacific Ltd.
Real Estate Private Equity

*Distressed Debt
*Corporate Real Estate
*Real Estate Operating Companies
*Asset and Portfolio Recapitalizations

Grant L. Kelley, Managing Director
Apollo Global Real Estate Management, Asia Pacific Ltd.
Suite 1304, Hong Kong Club Building,
3A Chater Road,
Central, HK
(852) 3588-6300

Apollo Global Real Estate Management
New York London Hong Kong

CANADA

CANADA
LAND FOR SALE

- 92 acres - entitled and serviced
- Commercial/Industrial uses permitted
- Data center attributes exceptional
- Equidistant to five US-Canada border crossings
- Toyota and CAMI auto plants both minutes away; rail available
- **Toronto** only one hour by two major highways
- **Ontario** is North America's renewable energy leader
- **Canada** rated AAA by *Standard & Poors*

Terry Alexander*
416.620.2843
terry.alexander@colliers.com
* Sales Representative
©2010. All rights reserved. Colliers Macaulay Nicholls (Ontario) Inc. Brokerage.
COLLIERS INTERNATIONAL

UNITED STATES

RECREATIONAL INVESTMENTS
Capitol needed approx. $5,200,000 for Large RV Resorts & Mobile Home Communities in Texas. 50% LTV. Clean Properties Cash flowing in excellent commercial locations. Will JV, or accept conventional financing. Exceptional properties. Mgt in Place. Owner/Broker.
877-263-7540 or rvgotoo@mac.com

Businesses For Sale.
Advertise in The Mart.
Call (852) 2831-2553,
(65) 6415-4279 or (813) 3292-4151

Notable Commercial Properties.

Commercial Listings Every Wednesday.
List Your Property Today. Call (852) 2831-2553
(65) 6415-4279 or (813) 3292-4151

THE WALL STREET JOURNAL. ASIA
PRINT • ONLINE • MOBILE

DOWJONES
A NEWS CORPORATION COMPANY

Iraq's Remarkable Election

It takes a cynical mind not to share in the achievement of Iraq's national elections. Bombs and missiles, al Qaeda threats and war fatigue failed to deter millions of Iraqis of all sects and regions from exercising a right that is rare in the Arab world. Even the U.N.'s man in Baghdad called the vote "a triumph."

On Sunday, 61% of eligible voters came out in Anbar Province, a former extremist stronghold that includes the towns of Fallujah and Ramadi. In the last national elections five years ago, 3,375 people—or 2%—voted in Anbar. The other Sunni-dominated provinces that boycotted in 2005 saw similar numbers: over 70% turnout in Diyala and Salaheddin and 67% in Nineveh, all higher than the national average of 62%. American Presidential elections rarely have such turnout.

Al Qaeda as well as Sunni and Shiiite extremist groups were defeated militarily by the surge, and this election continues the trend toward settling disputes through politics, not bombs. The remaining terrorists, far weaker and organized in smaller cells, tried hard to deter voting. Thirty-eight people died in various mortar, rocket and bomb attacks on election day. But the attackers had trouble getting near voting stations, and security in Baghdad and elsewhere was good and Iraqis brushed off these threats.

The election result itself is up for grabs and won't be known for several days. Incumbent Prime Minister Nouri al-Maliki needs to build a new coalition with skeptical Shiite and Kurd parties. Though Shiite himself, former Prime Minister Ayad Allawi attracted Sunni votes to his nationalist secular block. The Kurdish coalition may split.

> The strategic benefits of an emerging Middle East democracy.

But the very uncertainty about the results is a sign of democracy's advance, and the drama won't go unnoticed in a Middle East where the victories are always landslides for the ruling party. The contrast with Iran's stolen 2009 vote couldn't be more dramatic, and even Al-Jazeera ran special coverage around the clock.

President Obama deserves credit for resisting his own calls in 2008 for a quick American withdrawal. U.S. forces are considered by all sides to be honest brokers and guarantors of stability. So it was unfortunate to hear Mr. Obama, with the polls barely closed and no votes counted, promptly declare the election makes it possible that "by the end of next year, all U.S. troops will be out of Iraq."

Too much blood and treasure have been spent there to make the mission hostage to a political calendar. The nature of America's engagement will change in Iraq, but it needs to be sustained and robust. Imagine if the GIs had left Germany eight years after World War II or abandoned the DMZ in Korea prematurely.

There are dangers ahead in Iraq, including violence in the immediate post-election period. The neighborhood is still dangerous as well. The Iraqis aren't going to subject themselves to Iranian dominion, but a senior military official tells us that the U.S. now worries greatly about the "Hezbollah-ization of Iraq." Tehran gained experience exploiting sectarian divisions to make trouble in Lebanon. It has brought that to bear in Iraq, supporting Shiite extremists with arms and money, and their influence needs to be countered.

Free Iraq also represents a great U.S. strategic opportunity. As Turkey turns away from Europe (in part after having been turned away) and Iran pushes for regional hegemony, Iraq can now become a strong U.S. ally in the region if we don't abandon the field. A strong presence in Iraq gives the U.S. important leverage against a rogue regime in Tehran bent on acquiring a nuclear weapon.

We heard for years that toppling Saddam Hussein was a mistake because it empowered Iran. Now that Iraq is emerging as a unified democracy, the government in Baghdad can be a counterweight to Iran without the brutality and threat to the region that Saddam represented. Even as the number of U.S. troops declines, a sustained U.S. commitment will serve Iraq, the larger Middle East and American strategic interests.

The Deficit Commission Trap

President Obama has laid a political trap for Republicans with his allegedly bipartisan budget deficit commission, and the question is whether the GOP leadership on Capitol Hill will fall into it. One way to increase the odds of dodging it would be for Senate Minority Leader Mitch McConnell to name the likes of former Texas Senator Phil Gramm as one of his three appointees.

Now that they have raised federal spending as a share of GDP to 25% and don't want to return to the 20.7% 40-year average, Democrats are looking for political cover to pay for it. They want the commission to declare that there's no way you can cut future spending enough to balance the budget, and then to propose ways to raise huge new chunks of revenue beyond the current tax code. Mr. Obama's nominees will endorse both propositions, and if GOP appointees go along the headline will be: Bipartisan Commission Says Taxes Only Way to Balance Fisc.

Mr. Obama has rigged the commission so Republicans will be outnumbered by at least 10-8. But he's also rigged it a second way by writing his executive order to say that Congressional leaders can only choose current Members of Congress. The White House knows that some GOP Members will be reluctant to endorse spending cuts as part of the commission for fear of opening themselves to Democratic attack. This might not hinder someone like Wisconsin Representative Paul Ryan, who has already offered a tax and spending reform plan. But it might cause other Republicans to agree that entitlement reform isn't possible.

> Why not appointees like Phil Gramm?

By contrast, Mr. Obama has allowed himself to make selections from outside Congress, and he has already chosen former Clinton White House Chief of Staff Erskine Bowles and former Republican Senator Alan Simpson as his co-chairs, as well as Honeywell CEO David Cote, former advertising executive Ann Fudge, Alice Rivlin of Brookings, and that great advocate of spending restraint, service workers chief Andy Stern (see below).

Mr. McConnell and House Minority Leader John Boehner each get three appointees, and they are making a mistake if they let the President box them in. Their appointees need to be solid antitaxers, which should rule out any Members who proposed a similar deficit commission in Congress. But they should also consider outsiders who won't be afraid to challenge the Beltway mantra that spending can never be cut and entitlements never be reformed.

Mr. Gramm—who slowed the growth of spending in the 1980s, first as a Democrat in the House and later in the Senate as a Republican—would be one good selection. The Texan left the Senate in 2002 and now works for UBS. He knows where spending can be cut, and he'd be willing to say so.

The White House may claim such a choice violates the executive order, but Republicans can point to the President's own selections and ask him to modify his order to give them the same freedom of choice. All it takes is changing a few words. If Mr. Obama won't oblige, Republicans will have further proof that his commission is a political exercise to expand the size of the federal government permanently to at least a quarter of the private economy—even before the baby boomers retire in earnest.

Procuring the Union Agenda

In a novel variation on pay to play, the Obama Administration is planning to force companies to raise pay and benefits for workers if they want continued access to federal contracts. Waiting to cash in on the impending Executive Order are unions that would end up with a piece of the government's $500 billion in annual contracts.

The government can't steer contracts directly to the unions. But it can use its authority over how taxpayer money is spent to favor unions and their agenda. This is good news for Andy Stern and his Service Employees International Union. But not so good for job creation.

The proposed Executive Order is being drawn up by Joe Biden's Middle Class Task Force. It would oblige government procurement agencies to give contracts to "responsible contractors" who pay workers well and offer higher health, pension, sick leave and other benefits.

At each federal agency, a new labor commissar tasked with making these judgments will also have discretion to award an advantage to companies which, by some calculation, treat employees better. Under Democrats, this would tilt toward unionized companies. And these labor standards would have to be enforced across a company, not just at the unit bidding for a contract. This is opening the back door to government-mandated labor standards, another union dream.

> A White House plan would be the Davis-Bacon Act on steroids.

Because the rule could force up salaries and expand benefits for existing workers, it creates an incentive to cut employment rolls. Unions usually worry less about European-style chronic unemployment than merely protecting whoever has union jobs now. Barely 7%, and falling fast, of the private-sector work force today belongs to a union.

Smaller businesses will find it harder to win government work. Even if they put in better bids, many can't match the benefits offered by big companies, or always meet the government's plans to impose a new "livable wage" standard for employees of its contract firms. This is like putting the Davis-Bacon Act on steroids. That's the 1931 legislation that continues to distort federal spending by establishing "a prevailing wage" standard for public works projects, which in practice means the top local union wage.

For decades, the government's main goal has been to find the best services provider at the best prices. Last we checked, procurement agencies weren't supposed to be agents of social engineering.

This fantastic push smells of desperation. Unions have been frustrated over a health-care bill targeting their gold-plated insurance plans and the abandonment of the "public option." Mr. Obama also lacks the votes on Capitol Hill to pass their top priority, a "card check" bill to end the secret ballot in union elections.

This new procurement gambit is equally dangerous. Using federal contract authority to drive up private wages and indirectly impose onerous labor standards is far from what voters thought they were getting from this Presidency.

Letters To The Editor

* * *

U.S. Should Engage With Myanmar

Aung Din thinks the U.S. should be doing more to manage the affairs of Burma, now called Myanmar ("A Burma Plan for Mr. Obama," op-ed, March 3), as if Iraq and Afghanistan are not enough. He asserts that news reports from Myanmar "only go from bad to worse." The economic reality is quite the contrary. In terms of all verifiable data, such as growth in external trade and electric power generation, the Myanmar economy is growing as rapidly as that of its major trading partner, China.

Since the present rulers ousted General Ne Win along with his bankrupting "Burmese Way to Socialism" in 1988, they have been implementing free markets and privatizations that are now generating commendable economic growth, despite the ongoing U.S. embargo against Myanmar. Their lovely beaches on the Bay of Bengal and their modern, first-class hotels are enjoyed by Russian businessmen working on long-term, joint-venture projects that would likely have been awarded to U.S. businesses, but for the embargo.

The article argues for further "increasing financial sanctions on Burma." Rather than trying to force Myanmar to return to the failed socialism of the past, we should be removing the embargo and related barriers to trade and cooperation, in the interests of liberty for the peoples of both Myanmar and the U.S.

Edwin D. Repp
Spokane, Wash.

* * *

Near-Bankrupt Greece Offers a Lesson

Greece is the suffocating canary in the coal mine that ought to have European Union members scrambling to reverse course ("The Committee to Save Greece," Review & Outlook, Feb. 12).

A bloated public sector supported by oppressive levels of taxation inevitably leads to slower economic growth, higher unemployment, higher deficits and a mountain of government debt relative to gross domestic product. The side effects of Greece's dismal financial circumstances are even worse; economic malaise literally sucks the lifeblood out of countries, as despondent citizens stop having children. Fertility rates in Greece, Italy, Spain and Portugal (all suffering from a crisis of confidence at the moment) are among the lowest in the world. Stagnant economies produce few employment opportunities for the young, who then become disaffected and angry, even as they receive generous welfare-state benefits. And, as is true in all welfare states, tax evasion is rampant, rationalized as necessary for survival and as a legitimate response to public-sector corruption and incompetence.

As you note, if Greece's dysfunctional system is backstopped by the EU (in which even the healthiest members face similar types of economic and social challenges), the Greek canary will survive in an air pocket, but not for long.

Meanwhile, progressives in the U.S. still look to Europe as the model for a more civilized and socially just welfare state. U.S. deficits and debts are approaching or exceeding EU levels, unemployment already is more in-line with Europe's higher rates, the federal government has expanded its scope and influence, taxes are scheduled to rise to EU-type levels, citizens are angry and America's fertility rate is barely above replacement level. It's time for America to get out of the mine.

Paul Roberts
Jacksonville, Fla.

* * *

Other Victims Lost Far More to Madoff

Reading Dave Shiflett's review of "The Bag Lady Papers" ("Re-Evaluating Her Sense of Self," Bookshelf, Feb. 17), I found myself less than sympathetic toward the book's author, Alexandra Penney, a wealthy woman who became less wealthy thanks to Bernie Madoff, and who is now apparently on her way to getting back on her (pampered) feet.

Ms. Penney's plight—having to sell some property in Florida while landing a book publishing contract and continuing to earn income as a freelance writer with high-profile Manhattan contacts—insults the true financial tragedy that Mr. Madoff wrought upon entire families, elderly retirees and countless others who had none of the ample resources of Ms. Penney.

Jay Roberts
Jericho, N.Y.

THE WALL STREET JOURNAL. ASIA

Almar Latour, *Editor in Chief, Asia*
Peter Stein, *Associate Editor*
Dean Napolitano, *Senior Editor*
Mary E. Kissel, *Editorial Page Editor*
Philip Owens, *Circulation Director*
Shawn Hiltz, *Marketing Director*
Alice Chai, *Research Director*
Connie Cheng, *Operations Director*
Simon Wan, *IT Director*
Olivier Legrand, *General Manager Digital*
Christine Brendle, *Publisher*
Published since 1889 by
DOW JONES AND COMPANY

© 2010 Dow Jones & Company. All Rights Reserved

DOWJONES
A News Corporation Company

Comments? The Journal welcomes readers' responses to all articles and editorials. It is important to include your full name, address and telephone number. Please send letters to the editor to: **Letters@WSJ.com**

Iraqis Embrace Democracy. Do We?

[Global View]

By Bret Stephens

In 2002, a presidential election was held in Iraq. Saddam Hussein won it by a margin of 11,445,638 to zero. "Whether that's because they love their leader—as many people said they do—or for other reasons, was hard to tell," reported CBS News's Tom Fenton from Baghdad.

You can't say they aren't fair and balanced over at CBS.

Another election has now been held in Iraq, this time involving 19 million voters, 50,000 polling stations, 6,200 candidates, 325 parliamentary seats and 86 parties. In the run-up to the vote, the general view among Iraqis and foreign observers alike was that the outcome was "too close to call." Linger over the words: "Too close to call" has never before been part of the Arab political lexicon.

But democracy has finally arrived, first by force of American arms, next by dint of Iraqi will. It's a remarkable thing, not just in the context of the past seven years of U.S. involvement, or the eight decades of Iraq's sovereign existence, but in the much longer sweep of Arab civilization. Paleontologists have described similar moments in evolution, when some natural cataclysm permits a nimbler class of animals to take the place of the planet's former masters.

Just so in Iraq: the Cretaceous period of the T Rex and the pterosaur is at last drawing to a close. George W. Bush, in all his subtlety, was their mass-extinction event.

In the West it's a different story. Among the most remarkable trends of recent years has been the disenchantment with the very idea of democracy.

It's a trend that expresses itself in various ways: the admiration for authoritarian (typically Chinese) efficiencies; the sense that democracies are incapable of rising to the "challenges" of health care and global warming; the distaste for the tea parties in the U.S. But nowhere has it been more consistent than in the West's commentary about Iraq.

Getty Images

An Iraqi emerges from the voting booth.

It began nearly on the day that Saddam's statue in central Baghdad was brought down by American soldiers as jubilant Iraqis looked on. "This war was not worth a child's finger," wrote the English novelist Julian Barnes in a Guardian op-ed. That was published fully a year before the insurgency got underway, when the argument could not be made—as it was later made—that democracy is all well and good but that order of any kind, even tyrannical order, is much to be preferred.

For the next seven years, the insurgents murdered coalition soldiers and Iraqi civilians with equal abandon, right up to the morning of the election. Yet somehow the killing sprees (grotesquely replete with the cutting off of children's fingers) were treated by the world's great opiners not as the acts of evil men to be confronted and stopped, but purely as a function of the American presence in Iraq.

In this strange moral calculus, all the blood that was shed—including American blood—was on America's hands. It was also, by implication, a stain on America's "experiment" of "imposing" democracy on so obviously unwilling a people.

In the midst of those bloodbaths, the U.S. ceded civilian control to Iraqi authorities, who then conducted four democratic elections. I still remember the incredulity among the war's opponents, bordering on open dismay, when the parliamentary elections five years ago proved an inspiring success.

But the critics could relax, at least for a few years: The killing in Iraq did not abate. Successive Iraqi prime ministers were treated with none of the deference Western diplomats would routinely accord the masters of Egypt or Vietnam or even Syria. The division of Iraq was a respectable topic of conversation.

And yet throughout all of this, Iraqis somehow held fast to their idea of a democratic country. How was that possible? How could they not behave according to type, as inveterate sectarians and anti-Americans? Didn't they perhaps miss the political clarity that dictatorship uniquely provides?

The late Michael Kelly knew the answer, and the answer was that Iraqis, unlike most of us in the West, knew tyranny, and therefore also knew what it meant to thirst for freedom. Writing just before his untimely death on the road to Baghdad, he observed:

"Tyranny truly is a horror: an immense, endlessly bloody, endlessly painful, endlessly varied, endless crime against not humanity in the abstract but a lot of humans in the flesh. It is, as Orwell wrote, a jackboot forever stomping on a human face.

"I understand why some dislike the idea, and fear the ramifications of, America as a liberator. But I do not understand why they do not see that anything is better than life with your face under the boot. And that any rescue of a people under the boot (be they Afghan, Kuwaiti or Iraqi) is something to be desired. Even if the rescue is less than perfectly realized. Even if the rescuer is a great, overmuscled, bossy, selfish oaf. Or would you, for yourself, choose the boot?"

I still miss Kelly. Sunday's election was his vindication, too.

Write to bstephens@wsj.com

World War II's Unsung Heroes

By Amy Goodpaster Strebe

The Women Airforce Service Pilots (WASP) of World War II will finally be given the recognition and honor they deserve today when they receive the Congressional Gold Medal in a ceremony held at the United States Capitol.

These pilots were trailbrazers, a group of 1,102 female civilians that flew military aircraft under the direction of the United States Army Air Forces. They flew more than 60 million miles in 78 different types of aircraft, from the smallest trainers to the fastest fighters and the largest bombers. They undertook every type of mission except combat. Thirty eight of them gave their lives in the service of their country.

From 1942 to 1944 the WASP ferried aircraft from factories to air bases throughout the United States. They were stationed at 120 Army air bases across America, and many also towed targets for antiaircraft gunnery training. The Army Air Forces trained the women to fly the fleet's largest bombers to prove to the men these planes were safe to fly. Despite their outward appearance as official members of the U.S. Army Air Forces, the WASP were actually considered civil servants during the war. In spite of a highly publicized attempt to militarize them in 1944, the women pilots were not granted veteran status until 1977.

When a WASP was killed, the women pilots received no formal recognition, no honors, no gold star in the window, and no American flag on their coffin. Fellow pilots contributed money to help bring the body and belongings home—the United States Government refused to pay for the remains to be shipped to their families.

When the WASP were unceremoniously deactivated in December 1944, five months before the end of the war, they never received the military status they were promised, even though many of them were sent to officers training school. Even today the WASP can only be buried at Arlington National Cemetery as enlisted members of the military, not with officers' honors. Finally these intrepid women will be honored for their heroic service.

The surviving members of the WASP, who are now grandmothers and great-grandmothers, will unite for the last time in Washington, D.C. They will proudly take their place in history among the unsung heroes of World War II. Fueled by patriotism and a love of flying, their example will continue to inspire future generations of women aviators.

Ms. Strebe is the author of "Flying for Her Country: The American and Soviet Women Military Pilots of World War II" (Potomac Books, 2009). She is on the board of directors of the National WASP World War II Museum, located in Sweetwater, Texas.

OPINION

Beijing Misses Its Chance for Peace in Tibet

By Thupten Jinpa

Last year, I wrote in these pages of my hope that the 50th anniversary of the Tibetan people's uprising on March 10 might inspire the Chinese government to reappraise its policies and adopt a more realistic approach to Tibet. As we mark the 51st anniversary today, it's becoming increasingly clear that Beijing isn't serious about resolving the crisis peacefully.

In response to the 2008 uprising in Tibet, Beijing resorted to a violent crackdown and a more severe imposition of the same policies that had led to the protests in the first place. These include an intensified indoctrination campaign—so-called political education—for monks as well as vitriolic personal denigration of His Holiness the Dalai Lama. China says its crackdown is aimed at avoiding another crisis, but the government's actions will only stoke more local resentment.

Meanwhile, efforts to resolve the differences through negotiation seem to be faltering. Tibetan representatives returned to Beijing in January for the ninth round of talks that have occurred sporadically since 1981. Based on the outcome of the eighth round in 2008-09, there is little reason for optimism.

In those meetings, the Tibetan side submitted at Beijing's request a draft "Memorandum for All Tibetans to Enjoy Genuine Autonomy." This document outlined in some detail how Tibetans could live peacefully within the People's Republic of China—Tibetan requests included ensuring implementation of the rights guaranteed to the Tibetan people within the People's Republic of China's constitution, such as religious freedom and more autonomy in local governance.

Beijing dismissed this good-faith proposal out of hand. The Chinese government refused to make any concessions and instead launched a propaganda offensive against the Dalai Lama, the exiled leader of Tibetan people. Indeed, China's leaders have consistently refused to acknowledge the legitimate grievances of Tibetan people. Instead, the country's leaders insist that "the Dalai clique" is responsible for stirring up the trouble in Tibet.

Beijing continues to assert that the Communist Party's policies on Tibet are "totally correct." China's government insists that the only problem is the inability of the Dalai Lama to return from exile. The government will allow the Dalai Lama, who is now nearly 75 years old, to return home to spend his last years in Tibet if, and only if, he expresses deep remorse for his "mistakes," such as his "violation" of the Chinese constitution by fleeing into exile to India in 1959. This intransigence is most unfortunate both for the Tibetan people and for the people of China who aspire to see their great nation respected in the outside world.

Associated Press

A heavy Chinese military presence is the new norm in Lhasa.

There are models for how a mature, civilized country can deal with the aspirations and concerns of a people with distinct linguistic, cultural and historical heritages without undermining the integrity of its international borders. From Quebec in Canada to Scotland in Britain, from Catalonia in Spain to Tyrol in Italy, from Greenland in Denmark to the Laplanders in the Nordic countries, there is no shortage of examples from various parts of the world.

The key in all these cases is a genuine recognition of the legitimacy of the rights of the concerned peoples to safeguard their dignity as a people with distinct identity, language and cultural heritage. That recognition makes it possible to devise constitutional and political mechanisms that allow these distinct national and cultural characteristics to thrive with dignity within the larger national family. The example of Hong Kong demonstrates that, given political will, Beijing too can embrace a similar approach.

So far, even with its emergence as a global economic power, China is failing both in magnanimity and justice when it comes to the Tibetan people. Given that, the Tibetans have no choice but to carry on with their struggle, despite how painful it may be for ordinary Chinese to see the Tibetans complain about their nation. For the Tibetans this is a question of their survival as a people.

By failing to seize the rare opportunity offered by the Dalai Lama to peacefully resolve the question of Tibet within the constitutional framework of the People's Republic of China, the Beijing leadership is demonstrating a real deficit in imagination and political courage. If the precious window of opportunity to bring about a lasting solution to the problem of Tibet is allowed to slip by, history will judge the current Beijing leadership to have done a real disservice to the nation of China and its proud people.

The educated Chinese who have access to free information are aware that, thanks to the Dalai Lama's conciliatory and pragmatic leadership, the independence of Tibet is today not on the negotiating table. Nothing guarantees, however, that this question will not come back, with all the attendant emotional power and charge, once the Dalai Lama retires from an active leadership role. It's time that Beijing's leadership seized the moment.

Mr. Jinpa has been the principal translator for the Dalai Lama for more than 25 years.

Debasing India's Democracy

By Barun Mitra

It was advertised as a historic day. On March 8, the centenary of International Women's Day, India's governing coalition planned to present the country with a constitutional amendment reserving 33% of the seats for women in national and state legislatures. However, it was not to be. The failure of the amendment to pass was dubbed by the law minister a national day of shame, as a few unruly MPs, particularly in the Rajya Sabha, the upper house, created such a ruckus that the house had to be adjourned six times.

The bill was adopted in the Rajya Sabha the next day, with the government promising to bring further amendments to the bill. But it has also exposed the widening gap within the governing allies, and it is likely to be a close race in the Lok Sabha, the lower house.

Increasing women's participation in politics sounds like a fine idea in principle. But its implementation would have grave consequences for the country's quality of governance and political culture.

A comfortable majority in the parliament professes to support the women's reservation bill, with dominant parties on both sides of the political divide in favor. However, the truth is that many members are apprehensive about the consequences. And that opposition can't be explained away as simply the vested interest of male politicians.

Reuters

Women activists demonstrate against the consitutional amendment plan.

First of all, the justifications for the amendment don't stand up to scrutiny. If there is indeed political and social support for greater participation of women in politics, nothing prevents political parties from choosing more female candidates. Nor would reservations somehow change the status of women in the country—some of the worst forms of discrimination against women continued to take place even after Indira Gandhi became prime minister in the 1960s. And finally, outstanding women leaders like Jayalalithaa in Tamil Nadu and Mamata Banerjee in West Bengal have come up on their own through persistence and political acumen. In the name of empowering women, the bill is actually is very paternalistic, believing that women cannot make it in politics on their own.

More importantly, the bill poses a fundamental threat to the nature of India's representative democracy. While the reservation of a small number of seats for certain castes might be accepted as a temporary anomaly necessary to correct historic wrongs, a reservation for such a broad section of the population inevitably undermines India's "first past the post" electoral system. The bill moves India toward a proportional representation system dividing the population on sectional lines. This represents a fundamental change from the basic design of the constitution, and the debates in the constituent assembly, when the notion of separate electorates was considered and rejected.

In the current system, parliamentary constituencies are comprised of a wide range of people, forcing candidates to build a social and political coalition to have a reasonable chance of winning the election. It is this tendency to bridge the sectional divide among the population that has been the hallmark of Indian democracy, where diversity has only strengthened the political institutions.

If India is to tread the path toward ensuring representation according to the diversity of the population, by adopting a kind of proportional electoral system, then the social coalition will inevitably break down, leading to increased political instability. The demand for a sectional quota within the women's quota would be a logical demand in that direction. And the next step could be to demand political reservation for men as well along sectional lines. This would signal the end of the idea of India.

Accountability to voters will also be reduced. At one stroke, by rotating the constituencies reserved for women, an enormous political churning will be triggered. Legislators who have built up their own independent base of support within their constituencies will be forced out of office. Two-thirds of the sitting members of the legislature may have to surrender their seats under a rotational reservation for women. In effect this will disempower the voter, and reduce the incentive for elected representatives to be seriously concerned with the issues affecting their constituencies.

Party leaders stand to benefit the most from a system where the voters are not in a position to assess the performance of their representative. The parties will have to constantly put forward for new candidates, and these are chosen by the leadership—there is no inner party democracy in India. Hiding behind the fairer sex, entrenched party leaders are solidifying their authority over their backbenchers.

This represents an extension of the antidefection law which was passed by the Congress government of Rajiv Gandhi in 1986, when it had an unprecedented majority in Parliament. Under this law, a legislator is required to vote along party lines or face disqualification from parliament. That spelled the end for meaningful parliamentary debate.

Now Sonia Gandhi is now attempting to push through a constitutional amendment that deals another body blow to representative democracy. At a time when the rest of the world is just beginning to appreciate the democratic miracle that is India, it is ironic indeed that the country's own political leadership is seeking to change its democratic character to further its own narrow interests.

Mr. Mitra is director of the Liberty Institute, an independent think tank in New Delhi, and a columnist for WSJ.com.

IN DEPTH

THE WALL STREET JOURNAL
MONDAY, JANUARY 3, 2000
YEAR-END REVIEW
Of Markets & Finance
International Markets: Comeback kids lead charge in powering global markets higher. Page R21
Underwriting Review: Technology, telecom firms finance rapid growth with billions in offerings. Page R24
Stocks Approach the Stratosphere
Driven by Tech Stocks, Nasdaq Has Best Gain Of Any U.S. Market Ever
Inside
What Was News
A Bigger IPO Boom

The Wall Street Journal's year-end markets cover on Jan. 3, 2000, two months before Nasdaq hit its all-time high of 5048.62, then tumbled.

U.S. bull market's birthday spurs worries

Continued from first page

a lost one for stock investors. The Dow Jones Industrial Average finished Monday at 10552.52, up 61% from the recession low a year ago, about halfway back to its record of 14164.53 in October 2007. The blue chips are trading at a level they first reached in April 1999.

One concern of pessimistic analysts such as Mr. Shiller is that despite the two bear markets, stocks have spent almost all their time since 1991 priced above historic averages. History suggests that when stock prices are high, performance in ensuing years is disappointing.

None of these analysts is predicting another decade as bad as the last one: The market today is a long way from the price excesses of 2000. They aren't predicting when the market will run into trouble. Sooner or later, they contend, perhaps when the government's heavy stimulus wanes, stocks could face disappointing returns and even some scary ups and downs.

"One decade's damage still hasn't brought us back down to historic norms" for stock prices, says Robert Arnott, who warned of trouble in 2000 and whose firm Research Affiliates in Newport Beach, Calif., directly manages $4 billion. Previous stock bubbles were followed by long periods "with the market priced at deep discounts," when investors gave up on stocks, which hasn't happened this time, Mr. Arnott says.

The government intervention dates back to the Russian debt default and stock-market swoon of 1998, when the Federal Reserve stepped in to cut interest rates and prop up shaky financial markets. U.S. stocks collapsed again in 2000, leading to heavier government support and interest-rate cutting starting in 2001, especially after the Sept. 11 terrorist attacks. Stocks fell even harder in 2008. Central banks world-wide injected trillions of dollars into the financial system, pushing target government interest rates close to zero.

Markets were rebounding last August when Messrs. Shiller and Siegel got together with their wives at Mr. Siegel's beach house on a barrier island, below Atlantic City, N.J. They have been friends since graduate school at the Massachusetts Institute of Technology in the 1970s. As they walked the beach for hours, they discussed the market, its prospects and the best ways to analyze it.

Mr. Shiller worries that the housing market could be turning down after a brief recovery, which could contribute to a decline in U.S. stocks, which already look expensive to him. "I wonder about a return to another break in the market," he says, though he notes the market is far less expensive today than when he wrote his book.

Mr. Siegel scoffs at his friend's concerns—and at his numbers. "This is an extremely cheap market," he says, and its future is bright.

Mr. Shiller has compiled market data back to 1881, measuring stock prices month by month relative to corporate profits. To avoid short-term profit distortions, he uses an average of profits over the previous 10 years. Over the long run, by his measure, stocks trade at an average of about 16 times annual corporate profits—that is, their price-to-earnings ratio, or P/E ratio, is about 16.

He has found that when this ratio has gotten above 20, as it is today, it has signaled that the market was expensive and sooner or later would hit a stretch of subpar returns. Adjusted for inflation, stocks have declined on average about 2% a year in the decade after they hit a P/E of 20, Mr. Shiller has calculated. When dividends are factored in, they have notched a small positive return. Eventually, the P/E ratio has always fallen back below the average level, after which the market becomes cheap, paving the way for above-average performance.

The way Mr. Shiller sees it, the problem today isn't just that the current P/E is above 20. It is that since 1991 it has spent only seven months, in late 2008 and early 2009, below the average level of 16. At the start of 2000, it was above 40. No one can say how much longer the P/E can keep rising or when the past year's bull market might end, especially with the government providing heavy stimulus. But past trends, and the law of averages, suggest that at some point the P/E is likely to fall below 16, pulling stocks with it.

Mr. Siegel, for his part, strongly disagrees with this kind of analysis. He argues that his friend's use of 10-year average profits works poorly in the current environment, because big financial companies took such heavy write-offs in 2008 and 2009. Such write-offs, he argues, won't be repeated, so earnings including them shouldn't be used for forecasting.

"AIG's $80 billion write-off is going to pollute those figures for 10 years," as long as they contribute to the 10-year earnings average, he says.

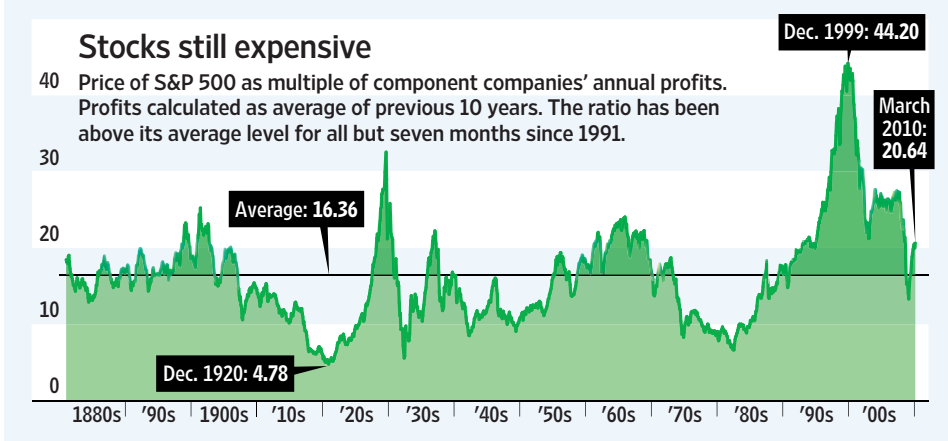
Mr. Siegel prefers to look at analysts' projections of future earnings, adjusted to exclude special write-offs and charges that he and the analysts think are unlikely to recur.

Mr. Siegel's book also looks at long-term stock performance back to the 19th century. He finds that of all investments, stocks turn in by far the best long-term results, with an average inflation-adjusted return of 7% a year.

At times like the present, with profits rebounding, they do even better than average, he says.

"My research shows that the common P/E is 18.5" when the economy is coming out of a recession, he says. The way he looks at it, the market now is trading at about 14.5 times forecast 2010 profits, making it cheap compared with the typical P/E of 18.5. If stocks rise to 18.5 times profits, the S&P 500 could rise to 1400 this year, a 23% gain from today's level, he notes. "We could easily see 10% to 12% stock returns with low inflation" in future years, he says.

Mr. Shiller doesn't agree with his friend's analysis of P/Es and write-offs. The impact of recent write-offs on the 10-year averages is small, he argues. As for trusting analysts' forecasts, adjusted to exclude write-offs, he



says: "Those are famous last words."

Another market analyst who was correctly bearish in 2000 backs up Mr. Shiller's views. Ben Inker, director of asset allocation at Boston money-management firm GMO LLC, crunches the data in a way that avoids the debate over 10-year averages and write-offs. He uses historical profit margins to forecast future corporate profits.

One problem in forecasting earnings, he says, is that the Internet and real-estate bubbles pushed corporate profit margins to 7%, above the historical level of 6%. The higher profitability was due to exceptional borrowing and investment by corporations and consumers. While that one-percentage-point difference seems small, it represents a 17% jump in profitability, which Mr. Inker considers unsustainable.

Using the historical 6% margin and applying it to an expected rise in corporate revenues as the economy recovers, he finds that stocks today trade at almost 19 times expected profits, making them expensive. To be reasonably priced, he calculates, the S&P 500 would have to fall 21%, to about 900 from Monday's 1138.50.

"The market should spend a good portion of its time trading below fair value, to match the time it spends trading above fair value," Mr. Inker adds. "We would bet that something is going to happen to push the stock market below fair value in the next few years."

One possible catalyst for trouble is the withdrawal of government stimulus, which put a floor under stocks a year ago. The worry is the market has grown so dependent on government help that any effort to wean it off that aid, no matter how slow, will expose its weak underpinnings. Another worry is that before the stimulus can be withdrawn it will set off another destructive bubble.

Some investors see signs of bubbles in developing markets, particularly in China. "The history of emerging markets is filled with booms and busts. You can't rule out the risk of a new bubble," says Keith Walter, who helps manage $53.5 billion at Artio Global Investors, formerly known as Julius Baer Investment Management. He's begun trimming his funds' once-heavy exposure to developing countries such as China and Brazil.

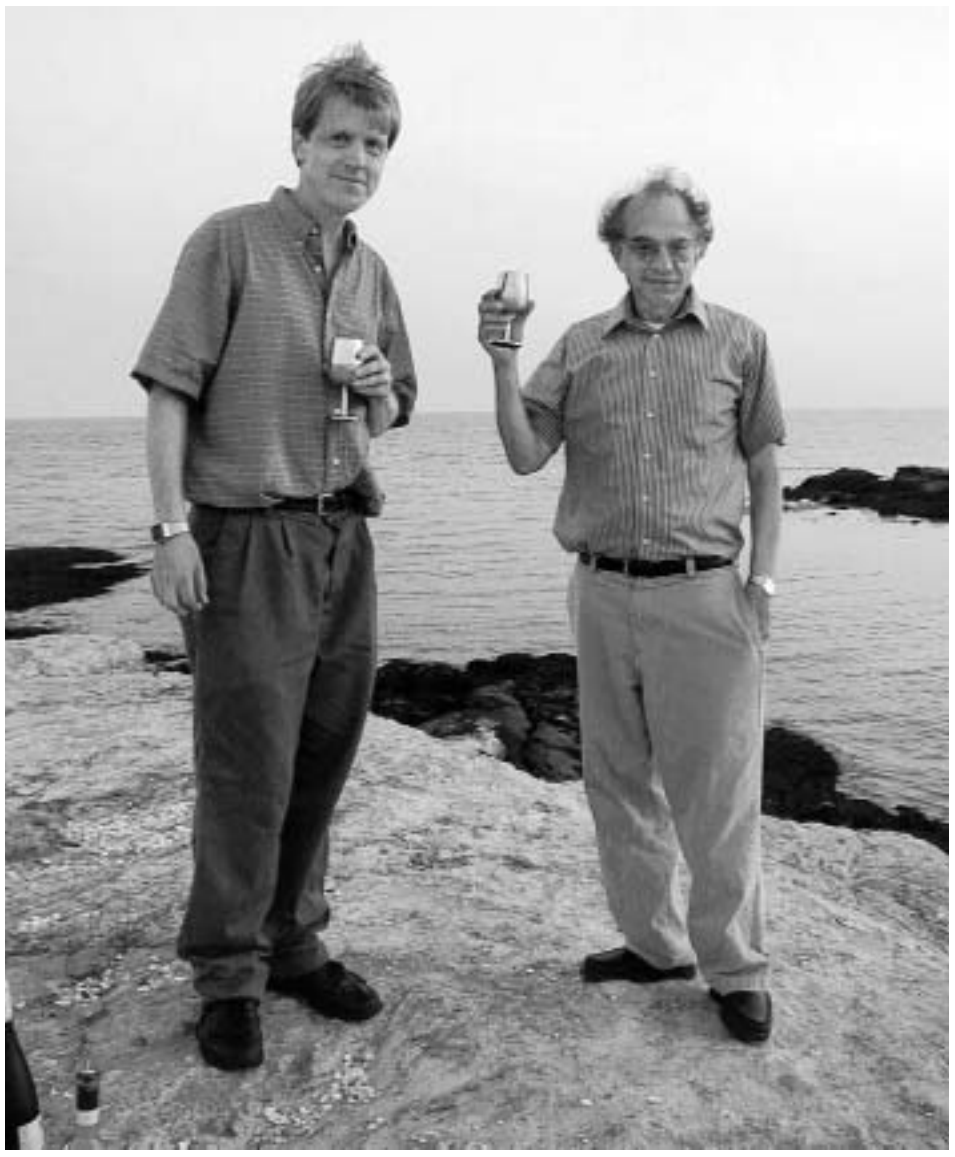
The emerging-market bubble, if there is one, is just beginning to inflate. Mr. Walter is particularly worried about China's effervescent property market, where investors are flipping unoccupied apartments in a way reminiscent of the U.S. housing bubble. He fears that local banks with real-estate loans could suffer. "We are worried that it has already gone too far, and that it is going to be a bubble that bursts," he says.

The Chinese stock market is another cause for concern. Shares of Baidu, often called China's Google, have quintupled since their late-2008 low and now trade in the U.S. at 85 times the company's profits for the previous year. Google Inc. itself, a more sophisticated world-wide competitor, trades at 27 times profits, having merely doubled in price from its late-2008 low—and some U.S. analysts consider that excessive.

PetroChina, China's version of Exxon Mobil Corp., has a market value of about $345 billion based on its Shanghai price, above Exxon's $315 billion, though it is half as big in terms of revenue.

Yet many investors talk of China's prospects in a way reminiscent of the tech and real-estate bubbles. Deutsche Bank has nearly doubled its forecast for Chinese export growth to 30% this year, from 16%. "China is arguably one of the most promising investment cases in today's global equity market," said a Goldman Sachs report in late February.

Mr. Walter counts himself a long-term emerging-markets bull. Even if the stocks decline, he says, he expects them to move higher eventually. But economic prospects are different than stock prospects. Back in 2000, tech-stock bulls argued that Microsoft Corp., Cisco Systems Inc. and Intel Corp. deserved enormous stock prices because they would be lasting world leaders. The companies indeed have remained world leaders, but their stock prices on average are about 60% below their 2000 highs.



Robert Shiller, left, and Jeremy Siegel, right, at Mr. Shiller's vacation home in 2003.

None of these analysts is predicting another decade as bad as the last one: The market today is a long way from the price excesses of 2000. They aren't predicting when the market will run into trouble. Sooner or later, they contend, stocks could face disappointing returns and even some scary ups and downs.

(Top to bottom) Robert Shiller; Associated Press

Some investors see signs of bubbles in developing markets, particularly in China. A worker at a Petrochina storage base in Suining, in Sichuan province.

SPECIAL ADVERTISING SECTION

BUILDING A NEW ENERGY FUTURE:
CERAWEEK® 2010

Is Unconventional Gas Going Global?

By **Leta Smith and Peter Jackson**

Starting in 2007, an unanticipated development took many in the North American natural gas industry by surprise. Supplies of unconventional gas — especially gas from shale formations, extracted using new techniques in horizontal drilling and rock fracturing — increased sharply. As a result, after years of being stagnant, overall gas production in North America began to grow again, and rapidly.

The unconventional gas revolution is transforming the North American industry. But this is not a geological opportunity limited to North America. Large unconventional gas potential also exists in other parts of the world.

But will unconventional gas "travel" and go global? The answer will have major impact on consumers around the world and on fuel choice for electric power. It will be of great importance to a gas industry that has already been globalized by long-distance pipelines and liquefied natural gas. If the answer is "yes," it will increase competition in the natural gas industry. Yet, at the same time, it will create greater security for gas users, and thus expand the market for natural gas.

This question is especially significant for Europe, the second largest gas market in the world, which imports nearly half of its supply. It is also important for Asia, which imports large quantities of LNG and faces the prospect of rapidly increasing future demand.

Recent research by IHS CERA has assessed the size of unconventional resources outside North America. Recoverable shale gas in the rest of the world is estimated to total 5,000 to 16,000 trillion cubic feet (TcF) — between four and fourteen times as much as in North America. The shale gas resource base in Europe may amount to as much as one-third of North America's.

The amount of recoverable gas from other forms of unconventional gas — coal beds and tight sandstones — is smaller, estimated at between one-quarter and one-third of the shale gas resource base. In all, recoverable gas from unconventional sources outside North America is estimated at between 6,000 TcF to as much as 20,000 TcF — as compared to 10,000 TcF of recoverable conventional gas. These estimates will become clearer as more data become available when the resources begin to be developed.

How long before these large stocks of unconventional gas are tapped? After the successful development of horizontal drilling and fracturing techniques in Texas, these operational practices spread quickly across the United States and Canada. Some expect similarly rapid diffusion elsewhere. The unconventional gas revolution in North America may look like an overnight success. But it was actually several decades in the making.

Much of this time was needed to master drilling techniques that increased well productivity and reduced costs enough to make unconventional production economically viable. But technology was not the sole ingredient. Institutions had to change. An entirely new way of conceiving of and doing business was also required.

North America had other notable advantages. The geology was well understood, the key prospective areas were lightly populated and for the most part already fitted with pipeline infrastructure, and there was a highly liquid and competitive gas market. Moreover, the system of property and mineral rights had been developed over a century and a half.

To succeed outside North America, unconventional gas will have to overcome several key challenges. The two most important are gaining access to potential resources and making them commercially viable.

Gaining access in populated areas, like Europe or parts of Asia, could prove challenging, as seems to be the case in some of the more densely populated parts of North America. Unconventional drilling also optimizes returns on investment when undertaken over larger areas than are typical in conventional production. This only increases access and operational challenges.

Commercialization of unconventional resources is another challenge. Remote prospects, where access is easier, often lack existing infrastructure to gather and transport gas. Another challenge is for developers and resource holders to agree on initial contract terms before there is a full understanding of the shale gas potential in a prospective area. Low or regulated gas prices in target markets represent yet another barrier to commercialization.

An additional bottleneck that could slow the spread of the unconventional revolution is a shortage of expertise, as well as specialized drilling equipment and services. Shortfalls of this kind are manageable over time, but will delay activity in the short term.

Water issues present another challenge. To get gas flowing from shale or tight sands, producers use high-pressure water to fracture the rock. Unconventional production may be slowed by competition for water resources, especially near urban areas, as well as concerns about the potential for spills or leaks.

Production of gas from coal seams is already occurring in Europe, China, Australia, and Colombia. Russia will be added to the list soon. And early shale gas prospecting and licensing activities are taking place in Europe, China, and India — though there has yet to be any shale gas production outside North America. Shale gas activity is notable in Europe — in Sweden, the United Kingdom, Poland, Germany, and Hungary — and some pilot drilling has already occurred. (See box, left, on IHS CERA's new study, *Breaking with Convention: Prospects for European Unconventional Gas*). President Obama's recent trip to China put unconventional gas on the agenda as one of the key areas for energy collaboration between the two countries.

Unconventional projects outside North America are likely to involve more legal and regulatory complexity than in the U.S. and Canada, requiring not only technical capabilities but also "government relations" and stakeholder skills. In Asia and Europe, resource holders will also need to develop new approaches for bidding, licensing, and operating. Early analysis has shown that each unconventional gas play seems to need a unique business and technical solution.

The unconventional revolution will eventually spread around the world. That is what traditionally happens in the technology-focused oil and gas industry. Indeed, it has already started and is gaining momentum. But it will take time, creativity, and technical and institutional innovation — just as it is doing in its still relatively early days in North America.

Leta Smith is a Director at IHS Cambridge Energy Research Associates (IHS CERA) and author of Shale Gas Outside of North America: High Potential but Difficult to Realize. *Peter Jackson is Senior Director of Upstream Industry Activity at IHS CERA.*

Illustration by Alex Williamson

Breaking with Convention: Prospects for European Unconventional Gas

IHS CERA is launching a new study to assess the prospects for unconventional gas in Europe. It will include detailed analysis of the geology, legal environment, and current licensing and exploration activity for 15 basins in Europe. It will also assess the market prospects for unconventional gas. For more information, contact Roberto.Futuro@ihscera.com

IHS CERA IHSCERA.com

IHS Cambridge Energy Research Associates (IHS CERA) provides insight into the energy future. It specializes in developing strategic knowledge and independent, objective analysis on energy markets, geopolitics, industry trends, and strategy. IHS CERA's team of experts is led by **Daniel Yergin**, Pulitzer Prize–winning author of *The Prize: The Epic Quest for Oil, Money, and Power*.

CERAWEEK® has been ranked one of the five most influential senior executive conferences in the world, and the only one focused on a specific industry. CERAWEEK brings together almost 2,200 leaders from more than 55 countries to discuss and debate the global energy future. **(www.ceraweek.com)**

CERAWEEK Online
Participate virtually in CERAWEEK 2010 and gain access to the conference's exclusive insights. Available for individuals or entire organizations. For more information, visit **www.ceraweekonline.com**, or call +1 617 866 5102.

IHS (NYSE: IHS, www.ihs.com) is dedicated to providing the most complete and trusted information and expertise spanning the most important concerns facing global business today: Energy, Product Lifecycle, Security and Environment, all supported by Macroeconomics. **IHS.com**

This special section was prepared by IHS CERA's research staff. Editor: Robert Laubacher

Every dollar put into the economy helps speed its growth. Imagine what $59 million a day can do.

That's how much we invest in the people, technology, and projects which supply the energy the world needs today – and the kinds of energy we'll need tomorrow.

This year, we're funding some of the world's most ambitious projects to bring energy to market, from one of the deepest producing fields off the coast of Louisiana to one of the largest natural gas projects in Australia. We're also funding technologies that will help produce ultra-clean diesel fuel, as well as start-ups unlocking new forms of renewable energy.

The energy we supply to the world keeps every sector of the economy – from agriculture to healthcare – in motion. Energy has always fueled the progress of people around the world. And will for generations to come. Jobs. Ideas. Innovations.

This is the power of Human Energy.

chevron.com

Chevron Human Energy®

CHEVRON, the CHEVRON Hallmark and HUMAN ENERGY are registered trademarks of Chevron Intellectual Property LLC. ©2010 Chevron U.S.A. Inc. All rights reserved.

THE TOYOTA RECALL

Toyota slams TV report on pedals

Network 'staged' video, car maker says; Prius races out of control on a California highway, police report

By Neal Boudette

Toyota Motor Corp. criticized a U.S. television network, saying the broadcaster "staged" part of a report that purported to show electronic problems could cause Toyota vehicles to accelerate unexpectedly.

The attack Monday on the ABC network was part of what the Japanese car maker has called a broader push to rebut critics and win support for its view that the electronics in its vehicles are not defective.

Separately, a California Highway Patrol officer helped slow a runaway Toyota Prius from 94 miles per hour to a safe stop on Monday after the driver said the car's accelerator became stuck on a San Diego County freeway, the CHP said.

The driver, James Sikes, called 911 after accelerating to pass another vehicle on Interstate 8 and finding he could not control his car, the CHP said, according to the Associated Press. "I pushed the gas pedal to pass a car and it did something kind of funny ... it jumped and it just stuck there," the 61-year-old driver said at a news conference.

A patrol car pulled alongside the Prius and officers told Mr. Sikes over a loudspeaker to push the brake pedal to the floor and apply the emergency brake, the AP said. After the car decelerated to about 50 mph, Mr. Sikes turned off the engine and coasted to a halt.

Toyota said it has sent an investigator to look into the incident.

At a news conference Monday, engineering consultants hired by Toyota showed they are able to cause vehicles made by three other auto makers to rev suddenly by making the same electronic modifications used by a college professor who was the subject of the ABC report, and who testified before Congress last month.

David W. Gilbert of Southern Illinois University-Carbondale has said he found a way to make Toyotas surge by causing a short in the wires that carry signals from the gas pedal to the engine computer, and can do it in such a way that the vehicle's diagnostic system doesn't notice a fault in the circuit. Accord-

Associated Press

Matthew Schwall of engineering firm Exponent, which was hired by Toyota, says a shot from an ABC report misleadingly showed a parked car's engine zooming rather than that of the moving car the video depicted.

ing to Mr. Gilbert, that suggests sudden acceleration could be caused by electrical problems. Toyota has blamed floor mats and sticky pedals for the problems.

On Feb. 22, ABC News aired a report on Mr. Gilbert's findings. In it, a Toyota Avalon sedan driven by investigative reporter Brian Ross is shown traveling about 20 miles per hour, and when Mr. Gilbert causes a short in the electronics, the engine suddenly revs and the vehicle speeds up.

The original report included a shot of the car's tachometer needle racing up to more than 6,000 revolutions per minute, near the safe limit of the engine's design.

At its news conference, Toyota presented a still frame from the video that showed dashboard lights indicating the car was in park, the speedometer was at zero and the seat belts weren't buckled.

"They staged it when the car was sitting still," Toyota spokesman John Hanson said.

The discrepancies in the clip were noted by gawker.com, a media web site, and on Friday ABC replaced that part of the video on its Web site.

The new clip shows a shaky video of a tachometer surging inside a moving vehicle, though it doesn't reach 6,000 rpm.

ABC's Web site notes the change and says the network taped multiple demonstrations by Mr. Gilbert, and that the engine's surge "was comparable" in each of them.

"We have updated our story," the spokeswoman said.

Mr. Gilbert said in an interview Monday he wasn't in a position to respond to Toyota's news conference, which was transmitted over the Web, because he saw only about half of it.

While the circumstances are less egregious, the dispute is reminiscent of an incident in 1993 when **General Motors** Co. sued NBC for defamation, alleging the network's "Dateline" show rigged a test crash of a pickup truck with explosives to show the vehicles can catch fire. NBC eventually acknowledged it staged the video and reached a settlement with GM

At the Toyota news conference, consultants from **Exponent** Inc., the engineering firm hired by the company, and a Stanford University professor also criticized Mr. Gilbert's work, which included cutting into wires and creating a connection where none had existed.

"You cannot rewire a circuit and expect it to behave the way it was designed," said the Stanford professor, J. Christopher Gerdes.

Mr. Gilbert has said the modifications he made could mimic faults in the accelerator's electronics.

Mike Michels, a Toyota spokesman, pointed out that Mr. Gilbert was paid for some of his work by an auto safety advocate who works with lawyers who have filed lawsuits against Toyota.

The advocate, Sean Kane, founder of for-profit firm **Safety Research & Strategies** Inc., confirmed he paid Mr. Gilbert $1,800 for work Mr. Gilbert already did on sudden acceleration and additional testing Mr. Kane's company asked the professor to do.

Mr. Kane added that Mr. Gilbert's testing was never intended to replicate real-world conditions, only to raise questions about alternate causes of sudden acceleration in Toyotas.

At the car maker's news conference, Matthew Schwall, an Exponent engineer, caused the engine of a BMW 325 sedan to race by making what he said were the same modifications Mr. Gilbert made to the Toyota Avalon in the ABC report.

"There is no defect with this vehicle," Mr. Schwall said. "The engine only accelerated because we rewired the same way as in Dr. Gilbert's method." Two other vehicles also raced in similar demonstrations.

In none of the cases did the vehicles' on-board computers generate a fault code that indicates trouble. Mr. Gilbert had said that in Toyota's case the lack of a code showed a car could have an electronic problem and there would be no record of it.

Toyota has recalled more than eight million vehicles world-wide after incidents of sudden acceleration and other problems.

Recall's impact on Toyota could top $5 billion

Continued from first page
from April 1, 2010.

J.P. Morgan estimates that Toyota's total, one-time recall related costs could total 400 billion yen, plus an additional 100 billion yen for settling litigation-related costs. Kohei Takahashi, J.P. Morgan's autos analyst, has slashed his operating profit target for Toyota to 540 billion yen from a previous estimate of 760 billion yen, for the fiscal year ending March 31, 2011.

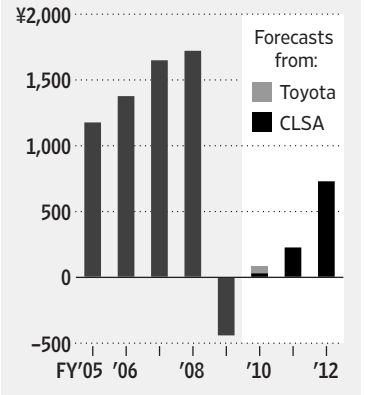
Deutsche Bank estimates the recalls will impact its operating profit by 290 billion yen.

Toyota's toughest mission is to continue to woo new customers to its brand, and to change the minds of those sitting on the fence. According to CNW Market Research, an automotive marketing research company, 7% of consumers previously intending to buy a Toyota will not do so now.

"It's the people that are sitting on the fence that Toyota is trying to convince," said Christopher Richter, autos analyst at CLSA Asia-Pacific Markets. "Toyota still has a significant core audience, but a smaller percentage of people are still moved by safety concerns."

The company also has to continue its pace of sales to avoid an inventory build-up or idling its plants in the U.S. "Toyota had been facing excess production capacity...even before the recall problem occurred. If its sales drop, this capacity problem will increase its fixed-costs," said Mr. Mizuno.

Toyota is aiming to convince its skeptics by launching a wide array of incentives, with Deutsche Bank estimating that Toyota's average incentives will increase to $2,500 in the first half of the fiscal year starting April 1 from $1,450 in the year ending March 31. Still, Toyota's incentives are still below the current three-month industry average of $2,650.



Note: Fiscal years end March 31 of year shown
Sources: the company; CLSA Asia-Pacific Markets

The Japanese car maker has sweetened lease deals on many models by increasing the "residual values"—the projected value of the car at the end of the lease contract—and dropping finance rates. New Camrys are on sale for as little as $179 a month.

The Lexus luxury division is promoting discounted lease offers as well, which vary by region and dealer. In China, Toyota is also offering a combination of sales incentives, including zero-percent loans, free insurance and fuel and roadside service.

With more than $29 billion in cash on its balance sheet and very low levels of borrowing, Toyota has a comfortable cushion to absorb the blows, and doesn't stand out as a credit risk.

However, ratings agency Fitch has placed the company's 'A+' rating on negative watch. Fitch said the recall and sales suspension casts a negative light on Toyota's reputation for quality. A reduction in a company's credit rating can make it more expensive for it to raise money in the debt market.

Toyota and its president, Akio Toyoda, have embarked on a media offensive, after being criticized for its slow response to the burgeoning crisis. Mr. Toyoda last week aimed to rally the troops by speaking in front of thousands of Toyota dealers, suppliers and management. On Monday, he met with Yukio Hatoyama, Japan's prime minister, to discuss his testimony before U.S. Congress and his visit to China.

The car maker also lashed out against ABC News, alleging the U.S. broadcaster staged part of a report on Feb. 22 that purported to show electronic problems could cause Toyota vehicles to accelerate unexpectedly.

On Friday, ABC replaced part of the video report on its Web site. "We have updated our story," an ABC spokeswoman said.

Airbus military transport pummels EADS results
BUSINESS & FINANCE 21

Why some lenders in India are rallying too soon
HEARD ON THE STREET 32

BUSINESS & FINANCE.

Wednesday, March 10, 2010 THE WALL STREET JOURNAL. asia.WSJ.com

Sony shifts to attack on TVs, 3-D

By Daisuke Wakabayashi

TOKYO—**Sony** Corp. said on Tuesday that its television business will shift to attack mode in the coming fiscal year as it ramps up TV shipments by about 70% to more than 25 million units and aggressively pushes its 3-D models, even though their launch will trail rivals in an increasingly crowded market.

The Japanese electronics conglomerate said it aims for about 10% of its TV sales in the fiscal year ending March 31, 2011, to be 3-D models. Sony's 3-D television will be launched in Japan in June, roughly three months after competing offerings from its three biggest rivals, **Samsung Electronics** Co., **LG Electronics** Inc. and **Panasonic** Corp.

While Sony has been focused on restructuring its electronics business by working to lower overhead costs, the company sees 3-D technology as a future driver of growth that will unite nearly every part of the sprawling company.

The new 3-D televisions are critical to Sony's television business, which has been the company's Achilles' heel. The TV operations are expected to lose money for a sixth straight year in the fiscal year ending March 31, but Sony hopes 3-D interest will stimulate new demand because the technology requires the advanced hardware found in its margin-rich, premium models.

To turn the operations around, Chief Executive Howard Stringer brought in Yoshihisa Ishida, a no-nonsense cost-cutter who ran Sony's Vaio personal-computer business. Mr. Ishida has worked with the rest of Sony's new management team to revamp its bloated supply chain and increase outsourcing production of inexpensive TV models.

Mr. Ishida said the goal for the fiscal year ending this month was to

Please turn to page 22

Bloomberg

A model wears 3-D glasses at the unveiling of Sony's 3-D Bravia televisions in Tokyo on Tuesday..

Rio CEO to attend China conference

By James T. Areddy And Alex Wilson

SHANGHAI—The chief executive of **Rio Tinto** PLC, the Anglo-Australian miner whose employees are awaiting trial on commercial spying charges in China, is scheduled to visit Beijing this month to attend a conference that usually attracts top Chinese officials.

Rio Tinto has taken a number of steps in recent months that appear aimed at improving relations in China, including naming a managing director for the country.

The event could mark an opportunity for Tom Albanese to engage with senior Chinese officials in a semipublic forum, coming about eight months after Chinese authorities surprised Rio Tinto by detaining four of its employees last July amid widespread criticism of the company's activity in its largest single market.

It could also provide a gauge of how Rio Tinto is regarded by its Chinese hosts.

Mr. Albanese is listed among the delegates to the China Development Forum, which starts March 20, according to the forum Web site and a media affairs officer. A London-based spokesman for Rio Tinto said that Mr. Albanese visits China fairly regularly and is likely to attend the development forum. Company officials declined to say when Mr. Albanese last traveled to China.

Rio Tinto is among the most profitable foreign companies operating in China, where it booked $10.69 billion in revenue in the country last year, or 24% of its global total, driven by the steel industry's demand for its iron ore. Yet it has also faced steep challenges in the country, including intense criticism in recent years from the government and steelmakers of its iron ore pricing policy.

The detention of Rio Tinto's top China mineral salesman, Australian citizen Stern Hu, and his three Chinese-national deputies followed the breakdown of both iron-ore pricing talks and a plan for Chinese investment into Rio Tinto. Last month, the four were indicted in Shanghai on charges they took bribes and commercial secrets from the country's steel industry. Lawyers say the indictment is a signal the four are likely to be put on trial, possibly along with local steel company executives.

Rio Tinto has denied its employees have done anything wrong.

Mr. Albanese said last year a top priority is rebuilding the relationship in China. The invitation-only China Development Forum provides an opportunity for personal diplomacy.

"It's the single most important conference in China," says one regu-

Please turn to page 23

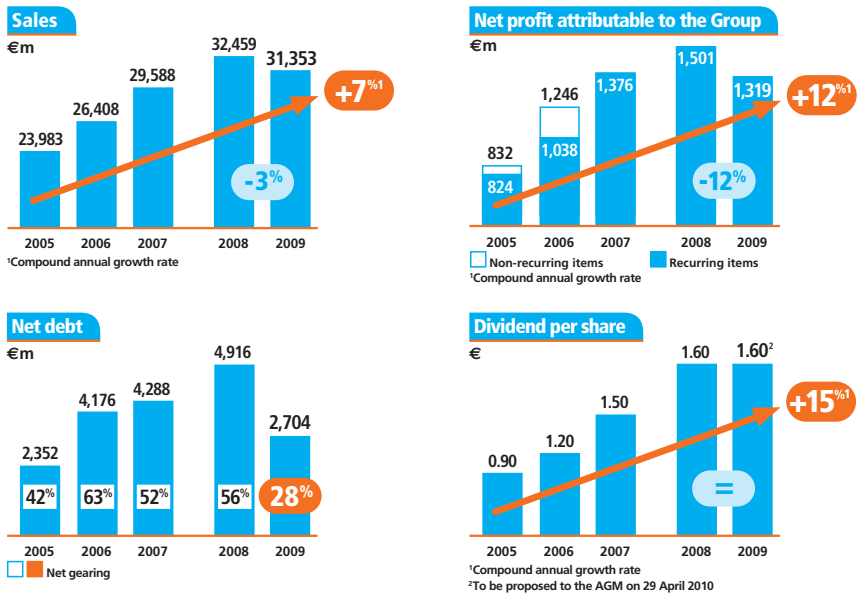
BOUYGUES

Solid 2009 performance yet affected by the crisis
Sales: €31.4bn (-3%) • Net profit: €1.3bn (-12%)

Financial structure strengthened
Strong improvement in free cash flow at €1.3bn (+41%) • Net gearing divided by 2 at 28%

Dividend stable: €1.60

Strong assets for 2010



A solid financial structure

Free cash flow increased 41% to a substantial €1.3 billion. Group net debt totalled €2.7 billion, down €2.2 billion on end-December 2008. Net gearing was divided by two at 28%. In January 2010, Standard & Poor's confirmed its rating, unchanged since 2001: A- with a stable outlook.

Outlook for 2010

Following on from 2009, during which the Group successfully adapted to a context of crisis, Bouygues is starting 2010 with confidence and has set a **sales target of €30 billion (down 4%)**.
Bouygues has several key assets: a leading position in four of its five business areas, diversity in business areas and geographical locations, corporate culture shared by all, a strong capacity for innovation and adaptation, and a solid financial structure.

View the full press release and results presentation at **www.bouygues.com** Investor relations: investors@bouygues.com

BUILDING THE FUTURE IS OUR GREATEST ADVENTURE

Céline starts from clean slate

Long-struggling fashion house within LVMH rebuilds under British designer Phoebe Philo

By Rachel Dodes
And Christina Passariello

PARIS—French fashion house **Céline** is quickly shedding its reputation as one of **LVMH Moët Hennessy Louis Vuitton** SA's most troubled brands.

After struggling for years to forge an identity, the label is finding influential retailers including Barneys New York, Saks Fifth Avenue and Bergdorf Goodman are clamoring to carry its collection, even as they cut back their portfolios to focus on best sellers.

Credit for the resurgence of the brand—which LVMH bought in 1996 for €412 million ($562 million at current rates)—goes to British designer Phoebe Philo and a decision to make a sharp break with the past.

Céline recruited Ms. Philo 18 months ago. To start fresh, the company destroyed all of the inventory left in the stores prior to her first collection, a move that contributed to the €98 million in restructuring charges LVMH took last year.

Céline also closed all but one store in the U.S., cut ties to less exclusive retailers, stopped producing bags in China and restored the accent to its name, all part of a move to elevate the brand.

Despite prices that seem to forget the Great Recession—like $790 platform sandals—Ms. Philo's utilitarian overcoats, pants and blouses have tight-fisted store buyers ready to spend. The 36-year-old showed her second runway collection for Céline during Paris Fashion Week.

Prices are up under Ms. Philo, and less exclusive retailers like Bloomingdale's and e-commerce site Net-a-Porter are out. Céline's plan is to cement a high-end image before ultimately broadening out to include more affordable offerings.

"I felt it was necessary to establish quality to the brand," Ms. Philo said in an interview. "Now that we are establishing that and the top of the pyramid is in place, we can open it out."

Her designs "did not fail to inspire us, which is hard to do—particularly in this environment, where nobody was looking to add anything," said Ron Frasch, president of **Saks** Inc., which has picked up the line for its Boston and suburban Philadelphia stores.

Andrea Spotorno/Celine

The 36-year-old Phoebe Philo, above, cultivated a following at Chloé, but then took two years off for her family.

LVMH pursued Ms. Philo intensely. She had spent five years as head designer of French label Chloé, where she created the hit Paddington bag and more than doubled the brand's sales, before taking off two years off to focus on her family.

Pierre-Yves Roussel, chief executive of LVMH's fashion division, traveled to London every other week for nearly a year to persuade Ms. Philo to sign on. The company agreed to build her a design studio in London, where she lives.

LVMH, which also owns Moët & Chandon champagne, Dior perfume and Tag Heuer watches, doesn't disclose sales by fashion house. It hasn't set a timetable for the label to make a profit, according to people close to the company. The line is still a tiny part of LVMH, which is dominated by Louis Vuitton.

It's apparent, though, that while retailers have been calling many of the shots with fashion houses, Céline is setting its own rules. The brand managed to get Bergdorf and Barneys to share the rights to Ms. Philo's debut Spring 2010 collection in the New York market, even though department stores normally get exclusives on new brands. Barneys put a $1,050 cotton taffeta top with matching $1,200 canvas pants by Céline on the cover of its new spring catalog—a coup for the niche French brand.

Founded in 1945 as a purveyor of children's shoes that later expanded into women's clothing, Céline had floundered since a brief moment of profitability under the auspices of the American designer Michael Kors, who left in 2004.

The look of the brand "seemed to waffle after he left," says Robert Burke, a luxury goods consultant. "It felt a bit Prada-esque one moment, a little something else the next."

Once on board, Ms. Philo and Céline's new chief executive, Marco Gobbetti, who previously revived LVMH's **Givenchy** house, decided to whittle down distribution. They closed some 20 out of more than 100 stores around the world.

"There were too many stores," Ms. Philo said, dressed head to toe in Céline except for **Nike** sneakers.

Ms. Philo unveiled her first interpretation of Céline last June, with a pared down aesthetic.

The current "utility chic" look, featuring "clean, interesting, almost military tailoring," is a direct consequence of Ms. Philo's first runway show in October, said Bergdorf Goodman fashion director Linda Fargo. She has linked the constellation of spring trends including wider-leg trousers, leather-as-clothing, and the palette of olive, camel and nude back to Céline, calling it "the Phoebe Effect."

Celine

Céline's new look is minimalist.

Auto sales increase in China

By Patricia Jiayi Ho
And Aaron Back

BEIJING—Auto sales continued to rise in China in February, though at roughly half the rate of previous months, data from a semiofficial industry organization showed Tuesday.

Last month's sales growth of 46.3% to 1.21 million units suggests that while government incentives continue to boost demand, the sales pace is moderating and may eventually be in line with industry observers' expectations of 10% to 15% growth for the full year.

Analysts have said that the true test for China's auto sector may come next month.

Supportive policies that were introduced at the beginning of last year started to kick in during March 2009 and should therefore begin to have a moderating comparison-base effect on auto-sales growth beginning next month.

The Lunar New Year holiday, which fell during February this year, likely contributed to slower sales growth last month. Though consumers buy more vehicles in the lead-up to the holiday, sales slow during the weeklong break, which was in January last year.

February's sales were a marked slowdown from January, when sales more than doubled from a year earlier to 1.66 million units, according to the China Association of Automobile Manufacturers. Sales in November and December rose more than 90% each month.

Taken together, auto sales in January and February rose 83.8% from a year earlier to 2.88 million.

China became the world's largest auto market last year, overtaking the U.S., which faced record sales drops amid the global financial crisis and the solvency problems of its top car makers.

China successfully reversed plummeting sales in its auto sector with policy measures introduced in January last year that included a purchase-tax cut on vehicles with 1.6 liter engines and smaller, and subsidies to encourage vehicle purchases in rural areas and of less-polluting vehicles.

INDEX TO BUSINESSES AND PEOPLE

Businesses

This index of businesses mentioned in today's issue of The Wall Street Journal is intended to include all significant reference to companies. First reference to the companies appears in bold face type in all articles except those on page one and the editorial pages.

Acer....8
Advantest....27
Alcoa....27
American International Group....24,25
Angelo, Gordon & Co....24
A.P. Moller Maersk....32
Apple....8
Aramark....25
Arrow Energy....4,27
AT&T....8,22,27
Bain Capital....25
Barclays....24
Basix....5
Blackstone....25
BOC Hong Kong Holdings....27
BOC International....24
BOC International Holdings....24
Boeing....27
Bursa Malaysia....24
Carlyle Group....25
CB Richard Ellis....24
China Life Insurance....27
China Mobile....8
China National Petroleum....4
China Southern Airlines....27
Cisco Systems....22,27
CME Group....24
Comerica....24
Credit Information Bureau (India)....5
Dell....8
E9line....20
European Aeronautic Defence & Space....21
Exponent....18
Extell Development....24
Fairholme Capital Management....10
Fifth Third....24
Freescale Semiconductor....25
Fujitsu....23,27
Future Capital Holdings....32
FXpansion....8
Gartner....8
General Growth Properties....10,27
General Motors....18
Givenchy....20
Goldman Sachs Group..25
Google....8,22
High Mark Credit Information Services..5
H&R Block....27
Intel....8,9
Juniper Networks....22
Kawasaki Kisen....32
Kohlberg Kravis Roberts....25
Legend Holdings....24
LG Electronics....8,19
Liberty Institute....13
Lihir Gold....27
LVMH Moët Hennessy Louis Vuitton....20
Mahindra & Mahindra Financial Services....32
Merck....27
Microchip Technology....9
Mitsui OSK Lines....32
Morgan Stanley....24
MTR....23
National Australia Bank....27
Neiman Marcus Group..25
Nike....20
Nippon Steel....27
Nippon Yusen....32
Northrop Grumman..21,27
Nvidia....8
Panasonic....19
PCCW....21
Permira....25
Pershing Square Capital Management....10
PetroChina....4
Providence Equity Partners....25
Reliance Capital....32
Rio Tinto....19
Royal Dutch Shell....4
Safety Research & Strategies....18
Saks....20
Samsung Electronics..8,19
Severstal....22
Shriram Transport Finance....32
Silver Lake Partners....25
Simon Property Group..10
Soma Games....8
Sony....19
SunGard Data Systems25
SunTrust Banks....24
Swire Pacific....24
Terra Industries....25
Thomas H. Lee Partners....25
Toyota Motor....1,18
TPG....25
T. Rowe Price....10
UBS....24
Valuable Group....22
Verizon Communications....27
Vodafone Group....8
Warburg Pincus....25
Yara International....25
Zhaojin Mining Industry....27
Zhongsheng Group Holdings....24

People

This index lists the names of business-people and government regulators who receive significant mention in Today's Journal.

Ackman, Bill....10
Ader, David....26
Albanese, Tom....19
Alex Arena....21
Bauert, Ian....23
Berkowitz, Bruce....10
Bojmel, Ronen A....10
Burke, Robert....20
Cambron, Keith....22
Chambers, John....22
Cheung, Anderson....3
Diamond, Robert E. Jr..24
Fargo, Linda....20
Frasch, Ron....20
Friedman, Richard A....25
Gallois, Louis....21
Gandhi, Indira....13
Gandhi, Rajiv....13
Yi Gang....3
Gerdes, J. Christopher..18
Gilbert, David W....18
Gobbetti, Marco....20
Gorman, James....25
Gui Lin....24
Hasegawa, Naomi....27
Hewlett, Angus....8
Hu, Stern....19
Ishida, Yoshihisa....19
James, Renee J....8
Jenkins, Antony....24
Kane, Sean....18
Lee, David....10
Li Ka-shing....21
Mahajan, Vijay....5
Mizuno, Tatsuya....1
Mordashov, Alexey....22
Navab, Alex....25
Nozoe, Kuniaki....23
O'Donoghue, John....27
Otellini, Paul....8
Petrick, Mitch....25
Philo, Phoebe....20
Rayfield, Mike....8
Richard Li....21
Richter, Christopher....18
Ring, Hans Peter....21
Roach, Stephen....23
Ross, Brian....18
Roussel, Pierre-Yves....20
Sack, Brian....26
Sanger, Kurt....1
Sanghi, Steve....9
Schwall, Matthew....18
Schwarzman, Stephen..25
Shiller, Robert....1
Siegel, Jeremy....1
Skaggs, Chris....8
Sridhar, R....32
Stringer, Howard....19
Takahashi, Kohei....18
Toyoda, Akio....18
Tucci, Tom....26
Valdez, Ray....8
Varley, John....24
Welnhofer, William....10
Weston, Chris....27

Airbus parent reports loss for 2009

EADS posts $2.45 billion fourth-quarter charge amid expense overruns related to military-airlifter program

By David Pearson And Daniel Michaels

PARIS—**European Aeronautic Defence & Space** Co. swung to a loss in 2009 as problem contracts weighed on results despite solid underlying performance in a sluggish commercial-aviation market.

The parent company of plane maker Airbus predicted that 2010 will be another difficult year, although it is getting a better sense of market conditions.

EADS posted a €1.8 billion ($2.45 billion) charge in the fourth quarter against cost overruns on the company's delayed A400M military-airlifter program, as EADS had warned it would on Friday. It also booked a €240 million provision on the Airbus A380 superjumbo jetliner, which has faced delays meeting production targets since 2005.

For the fourth quarter, EADS reported a net loss of €1.05 billion after a net profit of €490 million a year earlier. Revenue fell 5% to €13.1 billion, and earnings before interest and tax, or Ebit, after one-time items was a negative €1.41 billion.

The company attributed its loss for all of 2009 to the A400M provision and a €2.5 billion hit from exchange rates. Unfavorable hedge rates this year are likely to cost the company €1 billion, EADS said.

EADS reported a net loss of €763 million for 2009 compared with a net profit of €1.57 billion in 2008. Revenue fell 1% to €42.82 billion. The company's Ebit loss was €322 million, compared with Ebit of €2.83 billion in 2008. Excluding nonrecurring items, Ebit was €2.2 billion.

Agence France-Presse/Getty Images

Delays and costs tied to the A400M military-transport plane, above, prompted a fourth-quarter provision by EADS.

The A380 superjumbo is expected to be unprofitable for at least two to three years, Chief Financial Officer Hans Peter Ringsaid. "There's a continuous struggle with the ramp-up of the program and costs related to it," said Mr. Ring.

Chief Executive Louis Gallois said Airbus still plans to deliver 20 A380 jets this year, double the number of 2009, but both executives declined to say when the program will break even or turn profitable.

EADS said Airbus plans to increase the production rate of its A320 single-aisle jets to 36 a month from 34, starting in December, after lowering it from 36 to 34 last October. At the same time, EADS said it could more than double customer financing of jetliner deliveries this year, to as much as €1 billion from €400 million, and foresees more government guarantees of export sales. Mr. Ring said that EADS has planned conservatively for this and "financial markets are recovering better than we expected."

Airbus expects to maintain its jetliner-production rate in 2010 near the record 498 planes delivered in 2009, and is projecting between 250 and 300 new orders. "We are seeing some signs of progressive recovery" of demand from airlines, Mr. Gallois said, although he doesn't foresee orders topping deliveries—as they last did in 2008—until at least 2012.

Looking ahead, EADS said its Ebit before one-time items will be about €1 billion in 2010, or less than half the level of 2009, and it predicted that free cash flow after customer financing will be negative.

Mr. Gallois said EADS's priority is to preserve its cash position in 2010 and coming years to protect its credit rating and reassure its customers. At the end of last year, EADS had €9.8 billion in cash.

To preserve cash, EADS's board has decided to skip paying a dividend for the first time in 2010, but Mr. Gallois said the company is keen to resume a payout in 2011.

Commenting on the decision by EADS partner **Northrop Grumman** Corp. to withdraw from bidding for a $35 billion U.S. Air Force aerial-refueling-tanker program, Mr. Gallois said EADS is following Northrop's lead and isn't considering submitting a bid on its own.

The companies had planned to offer a tanker version of the Airbus A330. The decision to withdraw leaves **Boeing** Co. alone in the running for the contract with a version of its smaller and less-costly 767 jet.

PCCW's profit rises 19%, aided by strict cost curbs

By Lorraine Luk

PCCW Ltd., Hong Kong's dominant fixed-line telecommunications operator, said its 2009 net profit rose 19% on revaluation gains in its property and financial investments, as well as stringent cost controls.

Stripping out the one-time gains, the company's core earnings before interest, taxes, depreciation and amortization, a key measure of profitability for telecom operators, were little changed from a year earlier, reflecting the limited growth opportunities in Hong Kong's saturated market.

The stagnant market likely contributed to earlier plans by PCCW's major shareholders to take the company private. They withdrew the plan after a Hong Kong appellate court rejected the proposed deal in April last year on suspicion of vote-rigging. Managing Director Alex Arena said Tuesday the company's major shareholders won't pursue another takeover attempt.

PCCW said its 2009 profit rose to HK$1.51 billion, or US$195 million, from HK$1.27 billion in 2008.

The company's core Ebitda was HK$6.72 billion, little changed from HK$6.71 billion a year earlier. Its cost of sales fell 31% to HK$12.25 billion from HK$17.85 billion. Gains from property and financial investments totaled HK$168 million, compared with losses of HK$464 million a year earlier.

Revenue fell 22% to HK$25.08 billion from HK$31.95 billion a year earlier, largely because the company's property unit sold fewer apartments last year. PCCW declared a final dividend of 13.3 HK cents. It didn't declare a final dividend in 2008.

A person familiar with the matter said last month that police searched Chairman Richard Li's home and workplace as part of the investigation into the circumstances surrounding the failed bid to buy out PCCW.

The person said Mr. Li, the son of Hong Kong's richest man, Li Ka-shing, hasn't been implicated in any wrongdoing. Asked about the police investigation, Mr. Arena said Tuesday, "Neither the law-enforcement body nor regulator has made formal comments on this matter. It's entirely inappropriate for PCCW to make comments on this matter."

The US$2.1 billion buyout attempt came under the scrutiny of regulators and Hong Kong's courts due to alleged irregularities in a shareholder vote.

Ground breaking indexes.

Dow Jones Brookfield Infrastructure Indexes℠

A cornerstone of government economic stimulus packages worldwide is investment in vital infrastructure projects such as water, bridges and highways. The **Dow Jones Brookfield Infrastructure Indexes℠** measure the stock performance of companies in these increasingly important sectors.

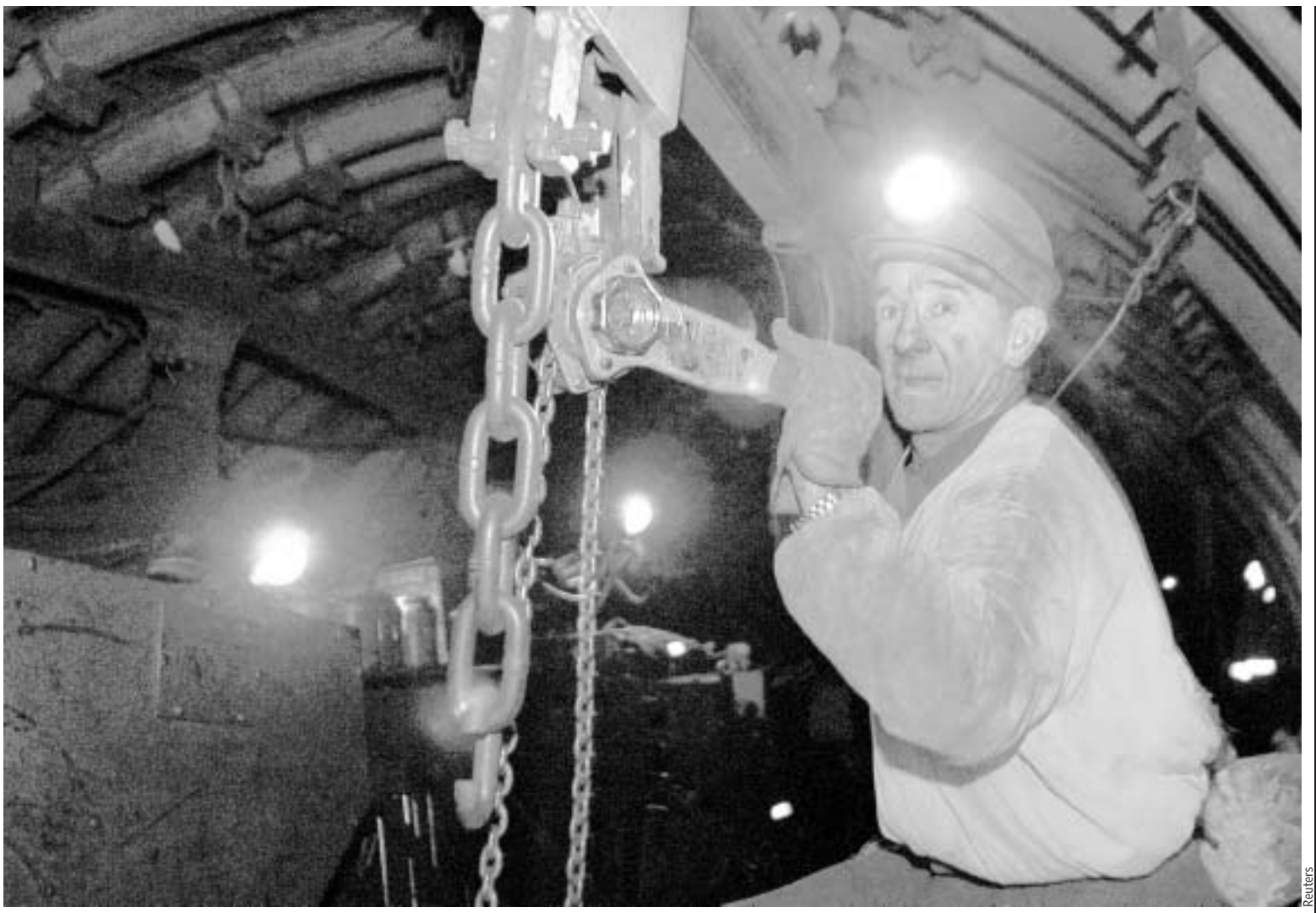
The indexes are made up of companies that own and operate infrastructure assets, and include only companies that exhibit strong infrastructure characteristics. This innovative approach ensures a balanced and diverse component set that covers all major infrastructure types and countries around the globe.

Learn how our infrastructure indexes are changing the landscape for the world's investors. Visit **www.djbrookfieldinfrastructure.com** for index data, information and a list of top components.

Dow Jones Indexes. The markets' measure.

"Dow Jones®" and "Dow Jones Indexes" are service marks of Dow Jones & Company, Inc. "Brookfield" is a service mark of Brookfield Asset Management Inc. or its affiliates.
The "Dow Jones Brookfield Infrastructure Indexes" are published pursuant to an agreement between Dow Jones & Company, Inc. and Brookfield Asset Management.

DOWJONES



Reuters

A Severstal employee working in a coal mine north of Moscow in December. The company said growing Chinese demand has led to higher iron-ore prices.

Severstal swings to a loss

Russian steelmaker says emerging-markets growth has helped to improve 2010 outlook

By Alexander Kolyandr

MOSCOW—Russian steelmaker OAO **Severstal** on Tuesday reported a 2009 net loss but provided an improved outlook for this year, helped by recovering markets, cost management and debt-reduction.

Fourth-quarter results helped push Severstal deeper into the red than analysts had been expecting. The company recorded a net loss of $162 million in the quarter—confounding analysts' expectations for a net profit—after it recorded a $47 million foreign-exchange loss and a $157 million deferred income-tax expense.

In a statement, the company—which has assets in Russia, the U.S. and the EU—said its loss stood at $1.04 billion in 2009, larger than analysts had expected, compared with a net profit of $2.03 billion in 2008.

Eight analysts surveyed by Dow Jones Newswires had forecast a net loss of $724 million.

However, the company's chief executive and major shareholder, Alexey Mordashov, said "solid economic growth in emerging markets and a gradual recovery of demand in mature markets have improved the outlook for 2010."

He added that "growing demand from China for raw materials has already led to higher spot prices for iron ore and coking coal in 2010, a trend we believe will be sustained during the year."

While higher iron-ore prices increase steelmakers' costs, Severstal is insulated to some extent because it also produces the raw material.

The company said it expects the North American market to continue to improve in 2010 and that Severstal will "achieve better capacity utilization" there.

Severstal's U.S operations generated revenue of $1.06 billion in the fourth quarter, down from $1.08 billion in the previous quarter. Moscow-based UralSib noted that Severstal's view on the U.S. market differs from those held by fellow steelmakers ArcelorMittal SA and Thyssen-Krupp AG, which "see no impressive pace of recovery in developed markets, while demand for steel is to remain subdued."

Although Severstal's flagship Russian mills showed further signs of improvement in profitability in the fourth quarter versus the third quarter of 2009, performance at the company's U.S. assets is "still disappointing", said analyst Olga Okuneva from Deutsche Bank.

In Russia, Severstal said it expects "further measured recovery in oil and gas and construction sectors," as well as increased demand from automotive and machinery producers. Export markets in Europe, the Middle East and Africa are expected to continue to be an important source of sales for Russian steel, it added.

Globally, Severstal's revenue was down 42% to $13.05 billion from $22.39 billion. Analysts had expected revenue of $12.9 billion.

Sony shifts to attack on TVs, 3-D

Continued from page 19

lay the groundwork for a return to profitability, and he acknowledged the effort came at the cost of a drop in market share to Samsung and LG.

The next fiscal year "is really a year when we think we can attack," Mr. Ishida said at a news conference. When asked whether the television business could meet aggressive sales targets while still reaching the profitability goal, Mr. Ishida replied: "I believe so."

Global television makers are starting to roll out 3-D models this year to capitalize on excitement about 3-D movies in theaters and the coming release of 3-D video games. While 3-D televisions have existed in the past, the new models from Sony and its rivals use battery-powered glasses to create the illusion of high-definition 3-D. In the past, the TVs used color-filtered glasses, resulting in images with somewhat lower picture quality.

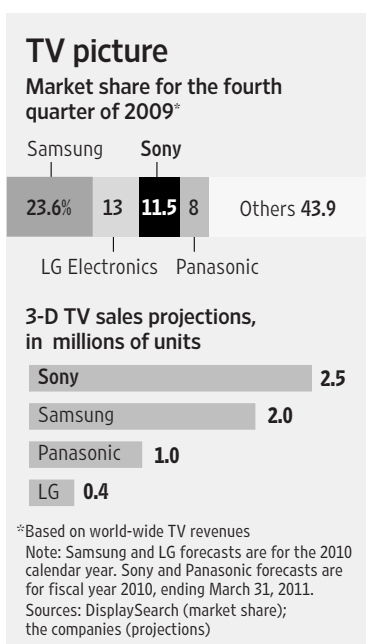
Samsung started selling its models at the end of February, and LG expects to launch new 3-D models this month. Panasonic's first 3-D model will go on sale Wednesday in the U.S., where it plans to discount 3-D sets by about 50%. It plans to sell a 50-inch plasma display model in Japan for about 430,000 yen, or about $4,760.

South Korea's LG Electronics said Tuesday that it will team up with Indian media and entertainment company **Valuable Group** to introduce its three-dimensional flat-screen televisions in India.

The first Sony 3-D models will be available in Japan June 10, with a 46-inch model selling for 350,000 yen. Sony hasn't set launches for 3-D models in other markets.

Mr. Ishida said he doesn't think the later launch date will be a major disadvantage for Sony because 3-D content won't start becoming widely available until later this year.

A major component of Sony's 3-D strategy is a software update for its PlayStation 3 game console to enable it to play 3-D games and movies. Video games are expected to be popular content available in 3-D because they will be easy to convert from the current 2-D format.



Cisco seeks to regain share with new router

By Roger Cheng

Cisco Systems Inc. unveiled a heavy-duty router for managing Internet traffic, as it seeks to regain market share it has lost in the arms race to manage telecommunications networks.

Cisco Tuesday said its new CRS-3 router has 12 times the capacity of rival equipment. For example, executives said the device can handle simultaneous video calls for every person in China.

The router, which is used by telecom carriers to carry traffic over their networks, replaces the company's aging CRS-1, which was introduced in 2004. Cisco competes in the router market with **Juniper Networks** Inc., which has gained some ground on the market leader.

AT&T Inc., a key Cisco customer, said it had completed a trial with the new Cisco router, which allowed its long-distance Internet backbone to carry data traffic at 100 gigabits per second, or roughly 10,000 times faster than the average household cable or DSL connection.

Consumers won't see those kinds of speeds because the router has to serve many people. But Cisco said the CRS-3 can deliver a connection of 1 gigabit per second to nearly every home in San Francisco.

Chief Executive John Chambers said the new router provided more than just a speed boost. The product is supposed to be "smarter" allowing it to direct traffic based on the priority of the data. "It's about flexibility," Mr. Chambers said. "It's not just about raw speed."

The San Jose technology stalwart let a large amount of hype build around the announcement, claiming that it would "change the Internet forever." A countdown clock ticked off the time before the company unveiled the details. Cisco shares, which have risen 9% over the past two weeks and hit a 52-week high on Monday, fell slightly on the news.

Some see Cisco's product as an answer to **Google** Inc.'s own push to deliver an ultrafast Internet connection directly to consumers. Last month the Internet giant shook up the telecommunications industry with its own plans to build its own high-speed network in select communities.

Cisco, which is heavily dependent on telecom-service providers for revenue, needed to show its support for its customers, analysts say. At Tuesday's event, Mr. Chambers said his company will never compete with service providers.

The moves come ahead of a U.S. broadband plan, which is expected to call for up to $25 billion in new federal spending for high-speed Internet lines, a wireless network for public safety groups and expanded access of affordable service. The plan is expected to be released later this month.

AT&T, meanwhile, has dealt with the explosive growth in wireless data, primarily driven by the Apple Inc. iPhone, and other smart phones. The router "allows us to serve volumes of traffic that we need to serve," said Keith Cambron, CEO of AT&T Labs.

Fujitsu is warned over resignation

Stock exchange saw little affect on trading

By Juro Osawa

TOKYO—**Fujitsu** Ltd. said Tuesday it has received a verbal warning from the Tokyo Stock Exchange regarding a change in the explanation of its former president's resignation.

The Tokyo exchange confirmed it gave the warning Tuesday after Fujitsu over the weekend corrected its explanation for former President Kuniaki Nozoe's Sept. 25 resignation.

The exchange determined that the insufficient explanation didn't impact investment decisions, and therefore decided not to take more severe action.

The company originally said Mr. Nozoe stepped down due to illness, but now says other Fujitsu executives requested the resignation due to his relationship with an individual linked to a company with an "unfavorable reputation," an allegation Mr. Nozoe's lawyer denies.

The verbal warning is one of the TSE's less serious punishments for disclosure problems.

Fujitsu's initial disclosure "failed to provide appropriate explanation for the reason behind the change in leadership," the TSE said.

However, the exchange determined that the insufficient explanation didn't have the more serious impact of misleading investment decisions, and therefore decided not to take more severe action.

Fujitsu shares fell 3.9% in Tokyo trading to end at 546 yen.

Mr. Nozoe, who served as Fujitsu's president for 15 months, has asked that his resignation be rescinded because, he said, he was misled with false information from the company that a long-time associate was tied to "antisocial forces" that could cause Fujitsu to be delisted, according to Kei Hata, Mr. Nozoe's lawyer. In Japan, "antisocial forces" is a well-known euphemism for organized crime.

Fujitsu said it originally cited "illness" as the main reason for Mr. Nozoe's resignation because the allegations were potentially damaging to the company and to him.

"It is regrettable that our explanation [in September] was insufficient," a Fujitsu spokesman said Monday.

Rio chief to go to China meeting

Continued from page 19

lar participant, Stephen Roach, chairman of Morgan Stanley Asia Ltd.

The 11th annual forum March 20-22 is due to be opened by Li Keqiang, a vice premier widely expected to rise to premier in a political shuffle planned for 2012.

Planned for the leafy grounds of the Diaoyutai State Guest House, the conference brings together titans of global business—around 37 multinational company chiefs are on the organizer's confirmed list this year—as well as leading Chinese officials, regulators, business people and academics.

Being invited to the forum offers foreign executives a rare opportunity to meet with the country's most senior policy makers. Last year, Premier Wen Jiabao gathered the group at the Great Hall of the People.

Rio Tinto has long been associated with the conference, more than once as a co-sponsor that an organizer said Tuesday costs at minimum one million yuan, or about $145,000. Rio Tinto executives have used the forum as a platform for their China-related proposals.

Last October, Mr. Albanese referred to the forum in reminding financial analysts of his company's desire to partner with Chinese companies.

Mr. Albanese told analysts, according to a transcript, that he had used his time at the March 2008 event to propose broad "mutual engagement."

Benjamin Thomas for The Wall Street Journal

Rio chief Tom Albanese, shown in October, said he wants to rebuild China ties.

Unlike in past years, Rio Tinto executives aren't among those due to appear on stage, according to the draft agenda.

Rio Tinto has taken a number of steps in recent months that appear aimed at improving relations in China.

This year, Rio Tinto formed a new executive position, namely managing director for China based in Shanghai, and installed the Mandarin speaking executive who opened the company's first China office 25 years ago, Ian Bauert.

In December, Rio Tinto was one of about 20 multinational companies that sponsored a table at a Shanghai American Chamber of Commerce "Government Appreciation Dinner," which an Amcham flier describes as an opportunity "to express thanks to our host government for the previous year's successes and to look ahead to another year of cooperation." The cost is around $2,950, according to Amcham.

Rio Tinto wasn't listed among the sponsors by Amcham in 2008.

—Robert Guy Matthews and Kersten Zhang contributed to this article.

MTR gets lift from real estate

By Jeffrey Ng

HONG KONG—Rail operator **MTR** Corp. said Tuesday its 2009 net profit rose 16%, boosted by a rebound in Hong Kong commercial-property prices during the second half. The company added that it plans to put 5,000 new apartments on the market this year to meet booming demand amid low interest rates and flush liquidity.

The government-controlled rail operator also said it will conduct tender offers to develop properties with a combined 7,000 flats near its rail lines this year.

MTR, which has the right to develop commercial and residential properties above some of its Hong Kong train stations, is one of the two main sources of land supply in Hong Kong apart from the city's government. The other is the Urban Renewal Authority.

The government has pledged to work with MTR and the Urban Renewal Authority to increase the supply of flats to help prevent the formation of an asset bubble in the city's real-estate sector, after Hong Kong's residential property prices rose by an average 29% last year. MTR said it intends to discuss with the government later this year plans to boost the city's supply of affordable housing.

MTR's net profit totaled 9.64 billion Hong Kong dollars (US$1.24 billion) in 2009, up from HK$8.28 billion in 2008. Revenue rose 6.6% to HK$18.8 billion. The rise occurred even as earnings from property development fell because the company completed fewer residential units.

The company, which is 77%-owned by the city's government, recommended a final dividend of 38 Hong Kong cents, up from 34 Hong Kong cents a year earlier.

Agence France-Presse/Getty Images

Passengers exit an MTR train in Hong Kong last month. MTR's profit rose 16%.

Apart from its property-development business, MTR also owns a number of shopping malls and commercial buildings. Those properties had a revaluation gain of HK$2.8 billion for 2009, compared with a revaluation loss of HK$146 million a year earlier, reflecting a rebound in property rates.

Excluding the accounting gain, MTR's 2009 underlying net profit declined 11% to HK$7.3 billion, dragged by reduced property-development contributions as the company booked fewer completed projects during the year.

The company's operating profit from property development fell to HK$3.55 billion from HK$4.67 billion, though operating profit from its commercial-property-rental and estate-management business rose to HK$2.01 billion from HK$1.9 billion.

In the past, property development accounted for the bulk of MTR's profit and offset the cost of capital commitments in its core railway business. However, since the government merged Hong Kong's two rail operators, MTR's core rail business has turned more profitable.

Its main rail operations contributed operating profit of HK$2.12 billion, down slightly from HK$2.18 billion a year earlier as demand declined during the financial downturn. Still, MTR said it expects its core rail business to show improvements this year amid the local economic rebound.

MTR has also been seeking to develop rail projects outside Hong Kong, particularly in mainland China, where it recently opened a subway line in Beijing under its management. It has also signed concession agreements for subway services in the Chinese cities of Shenzhen, Shenyang and Hangzhou.

bii

NOTICE TO THE NOTEHOLDERS
US$150,000,000 7.75%
Subordinated Notes due 2015 (the "Notes")
Issued by
PT Bank Internasional Indonesia Tbk. (the "Bank")
(incorporated with limited liability in the Republic of Indonesia)
(acting through its Cayman Islands branch)

In accordance with Condition 4(d) of the Terms and Conditions of the Notes, the Bank will fully redeem the Notes in whole on April 28, 2010 (the "Optional Redeemption Date") at a redemption price equal to 100.0% of the principal amount of the Notes together with accrued and unpaid interest to such date.

This Notice is made in compliance with Condition 4(d) and Condition 12 of the Terms and Conditions of the Notes, to each of the Trustee and the Principal Paying Agent and the Noteholders.

Jakarta, 10 March 2010

PT Bank Internasional Indonesia Tbk.
Board of Directors

Barclays on the hunt in U.S.

Bank seeks a lender to give it more deposits and build on the presence of Barclays Capital

By Sara Schaefer Muñoz And David Enrich

LONDON—After buying up Lehman Brothers Holdings Inc.'s North American operations at the peak of the financial crisis, British bank **Barclays** PLC is on the prowl for another major acquisition in the U.S., according to people close to the matter.

Barclays is hunting for a retail bank at a good price that would give it more deposits and build on the presence of Barclays Capital in the U.S., these people said. The bank, in response to potential changes in banking regulation, has designated an internal team to assess possible targets, these people said. Barclays is focused only on reconnaissance right now and no deal is imminent, they said.

The bank is also reviewing additional retail acquisitions in Western Europe, they said, which would add to recent purchases such as Citigroup Inc.'s credit-card portfolios in Portugal and Italy.

The move by Barclays to find more deposits underscores how the banking regulatory debate is driving strategic choices. Global and national rules are likely to toughen capital requirements and place a premium on deposits to strengthen liquidity, or funding, at banks.

Earlier this year, the Obama administration proposed a levy on banks, based on their holdings of liabilities other than deposits. The aim of the proposal, whose fate in Washington is uncertain, is to discourage banks from relying on so-called wholesale funding, such as bonds, as a primary source of liquidity. Instead, banks would have an incentive to stock up on plain-vanilla deposits, which tend to be more stable sources of funding and wouldn't be taxed under the proposal.

Meanwhile, new rules being worked out by international regulators as part of the Basel 3 framework would require banks to reduce their reliance on short-term funding as a percentage of their assets.

A Credit Suisse report said Tuesday that Barclays's growth prospects could be limited if it didn't acquire more deposits. Other U.K. banks, the report said, will probably need to shed assets in order to meet the new rules.

Bloomberg News

Branch offices similar to this one in London could help Barclays shore up its deposits and meet possible new regulations.

Barclays sees a window of opportunity to expand its business, after weathering the financial crisis better than many of its rivals. It is particularly interested in promoting its brand in the U.S. and is playing host to a ground-breaking ceremony this week for Barclays Center, a basketball arena in the Brooklyn borough of New York City.

Barclays officials believe any future growth in their loan and securities portfolios will have to be funded by corresponding growth in their retail-deposit base, said a person familiar with the matter. The bank has also said it is interested in expanding its private-wealth business.

President Robert E. Diamond Jr. is leading an assessment of possible targets in wealth management, while Barclays Chief Executive Officer John Varley is working to size up potential retail and commercial opportunities, according to another person familiar with the matter.

Acquisition targets would seem to be plentiful, with roughly 8,000 banks in the U.S. But the majority are tiny, and few are large and healthy enough to likely attract attention from a giant institution such as Barclays. Already, a number of sizable banks have been snapped up in the past two years via government-induced takeovers, leaving a limited pool of remaining candidates.

Barclays officials aren't trying to get a foothold in a specific geographic market.

Instead, they are more interested in acquiring a franchise with a strong branch network and deposit base, according to people familiar with the matter.

Among the large regional lenders that analysts have said could be targets for large U.S. or overseas banks are **SunTrust Banks** Inc., an Atlanta-based lender with $120 billion of deposits and 1,700 branches across the southeastern U.S.; **Fifth Third Bancorp** of Cincinnati, which has about 1,400 branches and $82 billion in deposits; and **Comerica** Inc., a Dallas-based bank that has more than 400 branches and about $39 billion in deposits, according to the Federal Deposit Insurance Corp.

But there is no indication that those companies are for sale or have talked with Barclays.

Increasing interest in the U.S. represents a shift in the bank's retail strategy following the departure of Frederik "Frits" Seegers in November, who spearheaded a rapid expansion into emerging markets such as India and the United Arab Emirates in his role as head of the bank's global retail and commercial banking division.

Mr. Seegers left in an organizational shake-up in which the corporate bank was moved under the control of Mr. Diamond, who oversees Barclays investment banking and management divisions. The bank then created a new division, global retail banking, headed by former Barclaycard Chief Executive Officer Antony Jenkins.

Mr. Jenkins, known for his prudent management of lending risk when he headed Barclaycard, has been charged with creating a "critical mass" in markets where Barclays has a significant presence, Mr. Varley said during the bank's annual results presentation in February.

"I acknowledge that we have been too aggressive in our approach to business expansion in certain emerging markets," he said.

The emerging-markets retail business posted a pretax loss of £254 million ($382.6 million), weighed down by problem loans, while operating expenses rose.

Barclays's overall net profit was £9.39 billion for 2009, up from a net of £4.38 billion a year earlier, reflecting a £6.33 billion gain from the sale of about 80% of its Barclays Global Investors and a boost from the Lehman businesses it acquired.

Zhongsheng returns with smaller IPO

By Amy Or

HONG KONG—Chinese automobile dealer **Zhongsheng Group Holdings** Ltd. is seeking up to $544 million from a Hong Kong initial public offering, far less than the $1 billion it had earlier planned to raise, a person familiar with the situation said Tuesday.

The company, which focuses on luxury and mid- to high-end automobile brands such as Mercedes-Benz, Lexus, Audi and Toyota, shelved the original deal last week, a day before its original March 3 kick-off, due to volatile market conditions.

IPO FOCUS

The company is now scheduled to list on March 26, the person said.

Another person said the deal was relaunched because the company and the investment banks advising on the deal have come up with "the right price range" and because markets improved since late last week.

Hong Kong's benchmark Hang Seng Index closed Tuesday marginally higher at 21209, in the fourth straight session of gains, buoyed by better-than-expected U.S. employment data and the lack of macroeconomic tightening measures in China from the annual National People's Congress meetings.

The Hang Seng Index in the past week has traded in a 20000 to 21000 range, the same as in the week before March 2, when the deal was first called off.

The deal was relaunched because the Chinese automobile dealer and the investment banks advising on the deal have come up with "the right price range."

Sentiment among investors has improved since, thanks to the improved data.

BOC International Holdings Ltd., **Morgan Stanley** and **UBS** AG are bookrunners on the deal, the first person said.

Hong Kong has seen fewer and smaller IPOs this year than China. This year, 65 companies have raised a total of $12.63 billion in China IPOs, according to research firm Dealogic, making it the world's biggest source of new listings this year. Hong Kong had eight issues worth $2.26 billion.

Hong Kong's hefty list of IPOs due this year suffered a major setback recently, when **American International Group** Inc. opted to sell its Asian life-insurance business instead of floating the unit in a planned $10 billion to $20 billion IPO.

While the acquirer, Prudential PLC, intends to list on the Hong Kong Stock Exchange at the end of April or early May, the listing will be by way of introduction, where no new shares will be issued and no new funds raised.

The next sizable IPO in the city is set to be **Swire Pacific** Ltd.'s $3 billion spinoff of its property unit.

A person familiar with the situation said Tuesday that the deal is expected to be launched after the Easter holidays in the first week of April.

Helmsley sells Carlton House in Manhattan

By Lingling Wei

The estate of real-estate baroness Leona Helmsley agreed to sell one of its trophy properties for about $170 million, according to people familiar with the matter.

The Helmsley Carlton House on Manhattan's Upper East Side, a luxury hotel with 161 apartment-style rooms, is being sold to a partnership of private-equity firm **Angelo, Gordon & Co.** and New York developer **Extell Development** Co. The sale is the first deal the estate—whose mandate is to liquidate all the holdings—has brought to the market, the people said. It attracted interest from more than 200 investor groups. A Helmsley estate spokesman declined to comment.

Legend Holdings aims to take brokerage stake

By Aaron Back

BEIJING—**Legend Holdings** Ltd., the parent company of Chinese computer maker Lenovo Group Ltd., intends to take an equity stake in mid-size brokerage **BOC International** (China) Ltd.

Legend hasn't yet received approval from government authorities and therefore cannot elaborate on its intentions, Legend spokeswoman Gui Lin said Tuesday. If completed, the deal would be the latest step by Legend to expand into the financial-services industry, one of five areas that it has declared to be priorities for investment.

BOC International is a joint venture between a Hong Kong unit of Bank of China Ltd. and five Chinese state-run companies. Legend is a diversified conglomerate that includes a private-equity unit, Hony Capital; a venture-capital unit, Legend Capital; and a property unit, Raycom Real Estate Development Co.

In September, Legend said it intended to invest 10 billion yuan (about $1.5 billion) over five years in five fields: clean energy, new materials, technology, financial services and industries related to Chinese domestic consumption.

BOC International has recently been active in several high-profile initial public offerings, including UC Rusal Ltd.'s $2.55 billion offering in January, which was the first Hong Kong listing for a Russian company. It is advising Chinese auto dealer Zhongsheng Group Holdings Ltd. on a $1 billion Hong Kong IPO.

CME plans dollar palm-oil contract

By Shie-Lynn Lim

KUALA LUMPUR—Derivatives exchange **CME Group** Inc. will launch a dollar-denominated crude-palm-oil futures contract for listing on one of its U.S.-registered exchanges on May 23.

The product is expected to be traded on the CME Globex in Chicago, CME Group Vice Chairman Charles Carey said Tuesday on the sidelines of an industry conference. In Malaysia, the product will be launched May 24, due to the time difference.

Last year, CME Group bought a 25% stake in **Bursa Malaysia**'s derivatives unit and said it would develop a dollar-denominated palm-oil contract.

MARKETS

Buyout firms mired in 'club' lawsuit

Private-equity shops wrestle with two-year-old conspiracy case

By Peter Lattman

Private-equity firms already are haunted by some of the massive, money-losing "club deals" struck at the stock-market peak. A long-running lawsuit is adding to the misery.

The two-year-old case against 11 of the world's largest private-equity shops accuses the buyout funds of "a collaborative, collectivist scheme" to carve up the market for multibillion-dollar acquisitions. Former shareholders of the targets brought the case and say the buyout shops engaged in a conspiracy to rig the market, stifling competition and limiting prices.

Lawyers defending the big firms have repeatedly shrugged off the case, saying it has no legal standing. But privately, the buyout executives say it has become a huge hassle, forcing the firms to turn over millions of pages of documents and emails. Dozens of the industry's most prominent executives, including those from **Bain Capital** and **TPG**, are giving depositions—some for as long as seven hours. Plaintiffs' lawyers have taken more than 30 depositions over the past 10 months, including that of Rich Friedman, the head of **Goldman Sachs Group** Inc.'s private-equity business. Roughly 40 more depositions are set to be taken, including those of Alex Navab, the co-head of North American buyouts at **Kohlberg Kravis Roberts** & Co., and **Blackstone Group** boss Stephen Schwarzman, whose deposition was scheduled for last month but was canceled because of a snowstorm.

With the evidence in the case subject to a protective order, details from depositions and documents are scant. But people on both sides of the case acknowledged there are a few problematic email messages from private-equity executives. Defense lawyers say the emails are embarrassing but don't present a legal problem.

Blackstone and KKR, whose shares are traded publicly, have said in securities filings that the lawsuit is without merit. Representatives for the other nine private-equity firms—Bain Capital, **Carlyle Group**, J.P. Morgan Partners LLC, **Providence Equity Partners**, **Warburg Pincus**, **Thomas H. Lee Partners**, TPG, **Permira** and **Silver Lake Partners**—declined to comment.

A 72-page complaint, filed in federal court in Massachusetts, highlights nine acquisitions of what the plaintiffs call "the Conspiratorial Era." From 2005 to 2007, the most prominent buyout firms teamed up to strike ever-larger leveraged buyouts. The number of buyout shops forming "clubs" or "consortiums" increased as the deals grew bigger.

The lawsuit followed a Justice Department investigation into possible anticompetitive behavior related to the clubs launched in 2006. That investigation continues, according to people familiar with the probe.

The lawsuit accuses the firms of allocating deals among themselves; submitting sham bids; agreeing not to bid on certain deals; and limiting competition by bringing losing bidders into the winning buyers' group. It cites an academic study by three business-school professors from Loyola Marymount University, the University of Southern California and Ohio State University concluding that club-deal LBOs paid premiums to shareholders that were roughly 40% lower than LBOs struck by one private-equity firm.

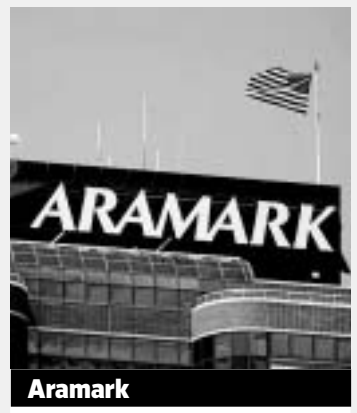
It also takes aim at the multiple roles investment banks play in certain deals, advising sellers while offering financing to prospective buyers or sometimes co-investing on the deal. The complaint highlights the buyout of food-service company **Aramark** Corp., on which Goldman Sachs participated as a private-equity fund, a financing bank and an adviser.

In court papers, lawyers for the private-equity firms have characterized the lawsuit as putting forth a "far-fetched theory by doing nothing more than describing routine M&A activity, and labeling it anticompetitive." Buyout executives say they have always fiercely competed against each other for deals.

Some buyout firms say the shareholders making the complaints should be satisfied with the prices they received during the period. Today most of the companies are worth far less than their acquisition prices. **Neiman Marcus Group**, one of the deals under scrutiny, is valued at less than half the $5.1 billion, or $100 a share, that TPG and Warburg Pincus paid for it in 2005.

Clubbing around

A two-year-old lawsuit in Massachusetts accuses the world's largest private-equity firms of colluding to suppress prices of the companies they joined forces to buy during the leveraged buyout boom.



Source: FactSet Research Systems

Photo credits from left: Reuters; Associated Press

Carlyle hires a debt chief as it moves beyond its core

[Deal Journal]

By Peter Lattman

Carlyle Group has appointed former Morgan Stanley senior executive Mitch Petrick as head of its debt-investment and capital-markets businesses. He will be based in New York.

Mr. Petrick, 48 years old, stepped down as Morgan Stanley's head of sales and trading in December as part of a revamp by the investment bank's new chief executive, James Gorman.

The move underscores the push by Carlyle and its private-equity peers into businesses beyond their core strategy of leveraged buyouts. With the size of large private-equity transactions shrinking and the fund-raising climate for conventional buyout investing becoming more difficult, firms are looking to expand their other businesses.

Carlyle's debt-investment unit comprises 24 funds with $19 billion under management, or roughly 20% of the Washington firm's $88 billion in assets.

Carlyle Group

Mitch Petrick

A small breakup fee for a giant deal

Breaking up may be easy to do, but in M&A it can be costly. Not so for **Prudential PLC**'s purchase of **American International Group**'s Asian life-insurance business. Were the $35.5 billion deal to fall apart, Prudential might have to pay AIG just $232 million. Consider that **Terra Industries** would have to pay $123 million to **Yara International** of Norway if it walks from its $4.1 billion offer.

The backstory is that in 2001, Prudential got $600 million when American General ditched it and agreed instead to be acquired by AIG for $23 billion. That worked out well for Prudential, as American General generated mostly outsize losses for AIG.

—Michael Corkery

WSJ.com

Read continuous updates on the high-stakes world of deal-making at **blogs.wsj.com/deals**

WEEKEND JOURNAL
ASIA

Published with every Friday's edition of The Wall Street Journal Asia, Weekend Journal Asia explores the best of travel, fashion, film, dining, wines & spirits, art, sports and more, all with a distinctly Asian flavor.

Subscribe to The Wall Street Journal Asia today at wsj-asia.com/sub/34.

MARKETS

Pound and euro slide on debt rating warnings

By Fabio Alves

NEW YORK—The U.K. pound and the euro weakened sharply as warnings by credit raters about deteriorating credit quality in Europe prompted investors to seek refuge in the dollar and the yen.

Sterling was one of the worst performers among major currencies for a second straight day, touching a one-week low against the dollar in overnight trading. The euro sank as much as 1.2% against the yen and more than 0.5% against the dollar. It also fell to the weakest point in two weeks against the Swiss franc.

CURRENCY MARKETS

The moves were triggered by comments on fiscal problems faced by the U.K. and Portugal from Fitch Ratings and Moody's Investors Service. Pressure on sterling intensified after weaker U.K. economic data.

"There's still an underlying uneasiness about the fiscal situation of these different countries in Europe," said Carol Hurley, senior market strategist at brokerage house Lind-Waldock in Chicago. Such concerns are driving investors to buy dollar, yen and U.S. Treasurys, she said.

By midday in New York, the U.K. pound had slumped to $1.4991 from $1.5063 late Monday. The euro moved to $1.3579 from $1.3631. The dollar weakened to 89.86 yen from 90.30 yen. The euro weakened to 122.07 yen from 123.09 yen. The dollar moved to 1.0764 Swiss francs from 1.0735 francs.

The euro is headed to $1.25, Ms. Hurley said, while sterling will keep drifting lower on worries about the U.K.'s budget deficit.

Portugal's gradual approach to fiscal consolidation is a "concern" and insufficient consolidation could trigger a downgrade of its AA rating, Fitch Ratings said Tuesday. Fitch put Portugal's AA rating on negative watch last September.

Separately, Fitch said the sharp deterioration in the U.K.'s sovereign-credit profile during the global financial crisis has been within the "tolerances" of triple-A rated countries. Still, Brian Coulton, managing director of Fitch Ratings, said the government's plan to cut the deficit by half over four years is "too slow." Speaking at a conference in London, Mr. Coulton also said the outlook for the U.K. economy is uncertain, which is a "source of concern."

Monday, Moody's said the expected wind-down of the U.K.'s bank-bailout programs could trigger ratings downgrades of some British lenders' bonds.

"Sterling has come under renewed pressure after a mini perfect storm consisting of weaker than expected data, new opinion polls and further warnings from Fitch and Moody's," strategists at Brown Brothers Harriman wrote in a note to clients.

Elsewhere, the Russian ruble touched 14-month highs, increasing the likelihood the central bank will adopt additional measures to control the currency.

Demand good as Treasury offers notes

By Deborah Lynn Blumberg

NEW YORK—U.S. government-bond prices hung onto early gains Tuesday after an auction of three-year Treasury notes drew strong demand. Earlier, prices had rallied as investors fretted over Europe's debt problems and sought safety in low-risk Treasurys.

Government-bond prices in Germany and the U.K. got a boost Tuesday after credit-ratings agency Fitch Ratings said Portugal may be downgraded if its debt consolidation is insufficient. Fitch also said the U.K. needs to tighten its finances by more than what the government already set out to do. Concerns about Europe's debt situation have spread since they began with debt-laden Greece earlier this year. Greece has since crafted an austerity package to help improve its fiscal situation, shifting the focus.

U.S. CREDIT MARKETS

"It's not just Greece anymore" that market participants are concerned about, said Tom Tucci, head of government bond trading at RBC.

The worry is that measures European countries must take to improve their debt situation won't be supportive for growth.

In early-afternoon trade, the two-year note was flat to yield 0.887%, the three-year note was flat to yield 1.397% and the 10-year note was also flat to yield 3.706%.

In its first debt auction of the week, the Treasury offered $40 billion of three-year notes.

The three-year note came in at a yield of 1.437%, compared with the 1.442% just before the auction. The bid-to-cover ratio was 3.13, compared with 2.83 in February and 2.98 in January. The average is 2.89 from the past 10 auctions.

Market participants believed the three-year sale would go well given generally strong demand for three-year debt from foreign central banks in the past, investors' conviction that interest rates will remain low for a while as the economy heals, and fresh concerns about Europe's debt situation.

The government will sell $21 billion in 10-year notes Wednesday and $13 billion in 30-year Treasurys Thursday.

FUND SCORECARD

Emerging Markets Equity

Funds that invest at least 75% of equity assets in emerging markets equities. At least 75% of total assets are invested in equities. Ranked on % total return (dividends reinvested) in U.S. dollars for one year ending March 09, 2010

Leading 10 Performers

FUND RATING *	FUND NAME	FUND MGM'T CO.	CURR.	LEGAL BASE	% Return in $US ** YTD	1-YR	2-YR	5-YR
NS	**JPM Em Mkts Small Cap A (acc)-EUR**	JPMorgan Asset Mgmt (Europe) S.a.r.l.	EUR	Luxembrg	**3.31**	183.63	3.28	NS
NS	**Eastern European**	Pictet Fund Management S.A.	GBP	United Kingdom	**3.52**	180.47	-22.33	2.95
1	**AXA WF Frm Emerg Mkts Talents AC EUR**	AXA Investment Managers Paris S.A	EUR	Luxembrg	**4.34**	149.92	-3.43	NS
3	**Dimensional Emerging Mkts Val B EUR**	Dimensional Fund Advisors Ltd. (Ireland)	EUR	Ireland	**-0.18**	142.78	-2.86	NS
NS	**Templeton Emerging Mkts Sm Cos A Acc $**	Franklin Templeton Investment Funds	USD	Luxembrg	**6.96**	140.58	-7.23	NS
NS	**Templeton Emerging Mkts Inv Trust ORD**	Franklin Templeton Invts	GBP	United Kingdom	**-0.28**	138.55	0.25	17.86
1	**LCL Actions Emergents (Euro)**	LCL Income Properties L P I	EUR	France	**-7.42**	136.62	-13.31	14.67
4	**Robeco Emerg Stars Equities D EUR**	Robeco Asset Management	EUR	Luxembrg	**-3.74**	134.72	-6.17	NS
2	**JPM Em Eup Mid East a Afr Eq A (dis)-USD**	JPMorgan Asset Mgmt (Europe) S.a.r.l.	USD	Luxembrg	**4.00**	131.96	-11.71	11.18
NS	**Comgest Growth GEM PC Acc**	Comgest Asset Management International L	EUR	Ireland	**2.58**	130.72	-6.88	NS

NOTE: Changes in currency rates will affect performance and rankings.
KEY: ** 2YR and 5YR performance is annualized
NA-not available due to incomplete data;
NS-fund not in existence for entire period

Source: Morningstar, Ltd
1 Oliver's Yard, 55-71 City Road
London EC1Y 1HQ United Kingdom
www.morningstar.co.uk; **Email**: mediaservice@morningstar.com
Phone: +44 (0)203 107 0038; **Fax**: +44 (0)203 107 0001

Advertisement

INTERNATIONAL INVESTMENT FUNDS [Search by company, category or country at asia.WSJ.com/funds]

MORNINGSTAR®

Data as shown is for information purposes only. No offer is being made by Morningstar, Ltd. or this publication. Funds shown aren't registered with the U.S. Securities and Exchange Commission and aren't available for sale to United States citizens and/or residents except as noted. Prices are in local currencies. All performance figures are calculated using the most recent prices available.

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	—%RETURN— YTD	12-MO	2-YR
AHW CAPITAL MANAGEMENT									
Tel (+49) 1805 - 23 82 82									
www.ahw-capital.com									
AHW Top-Div.Int.	GL	EQ	LUX	03/08	EUR	51.63	-5.5	61.1	-21.0
ALLIANCE BERNSTEIN									
www.alliancebernstein.com/investments Tel. +800 2263 8637									
Am Eq Blend A	OT	OT	LUX	03/08	USD	10.62	2.4	67.5	-7.2
Am Eq Blend B	US	EQ	LUX	03/08	USD	9.96	2.2	66.0	-8.1
Am Growth A	US	EQ	LUX	03/08	USD	31.33	0.3	60.2	2.2
Am Growth AX	US	EQ	LUX	03/08	USD	33.85	0.4	61.0	2.8
Am Growth B	US	EQ	LUX	03/08	USD	26.29	0.1	58.6	1.1
Am Growth C	US	EQ	LUX	03/08	USD	28.32	0.2	59.4	1.8
Am Growth I	US	EQ	LUX	03/08	USD	34.77	0.4	61.4	3.0
Am Income A	US	BD	LUX	03/08	USD	8.54	2.3	31.9	7.2
Am Income A2	US	BD	LUX	03/08	USD	19.49	2.4	31.9	7.1
Am Income A2	OT	OT	NA	03/08	HKD	151.22	2.4	31.9	7.1
Am Income AT	OT	OT	NA	03/08	HKD	66.18	2.4	32.0	7.2
Am Income AT	US	BD	LUX	03/08	USD	8.53	2.4	32.0	7.2
Am Income B	US	BD	LUX	03/08	USD	8.54	2.2	30.9	6.4
Am Income B2	US	BD	LUX	03/08	USD	16.77	2.2	30.9	6.4
Am Income B2	OT	OT	NA	03/08	HKD	130.12	2.2	30.9	6.4
Am Income BT	OT	OT	NA	03/08	HKD	66.49	2.2	31.0	6.4
Am Income BT	US	BD	LUX	03/08	USD	8.57	2.2	31.0	6.4
Am Income C	US	BD	LUX	03/08	USD	8.54	2.2	31.3	6.7
Am Income C2	US	BD	LUX	03/08	USD	24.96	2.3	31.3	6.7
Am Income I	US	BD	LUX	03/08	USD	8.54	2.4	32.7	7.9
Am Value A	US	EQ	LUX	03/08	USD	8.76	2.7	55.9	-6.8
Am Value B	US	EQ	LUX	03/08	USD	8.05	2.5	54.5	-7.8
Am Value C	US	EQ	LUX	03/08	USD	8.76	2.7	55.3	-7.2
Am Value I	US	EQ	LUX	03/08	USD	9.44	2.8	57.1	-6.1
Emg Mkts Debt A	GL	BD	LUX	03/08	USD	15.87	3.1	51.2	9.5
Emg Mkts Debt A2	GL	BD	LUX	03/08	USD	20.76	3.2	51.4	9.5
Emg Mkts Debt AT	GL	BD	LUX	03/08	USD	15.94	3.3	51.5	9.6
Emg Mkts Debt B	GL	BD	LUX	03/08	USD	15.87	2.9	49.8	8.4
Emg Mkts Debt B2	GL	BD	LUX	03/08	USD	19.96	3.1	49.8	8.5
Emg Mkts Debt BT	GL	BD	LUX	03/08	USD	15.91	3.1	49.8	8.4
Emg Mkts Debt C	GL	BD	LUX	03/08	USD	15.87	3.0	50.6	9.0
Emg Mkts Debt C2	GL	BD	LUX	03/08	USD	20.39	3.2	50.7	9.0
Emg Mkts Debt I	GL	BD	LUX	03/08	USD	15.87	3.2	52.0	10.0
Emg Mkts Growth A	GL	EQ	LUX	03/08	USD	34.28	-1.1	94.4	-9.4
Emg Mkts Growth B	GL	EQ	LUX	03/08	USD	29.00	-1.3	92.6	-10.3
Emg Mkts Growth C	GL	EQ	LUX	03/08	USD	29.70	-1.1	93.7	-9.7
Emg Mkts Growth I	GL	EQ	LUX	03/08	USD	38.06	-0.9	96.1	-8.6
Eur Growth A	OT	OT	LUX	03/08	USD	9.77	2.0	48.4	-10.3
Eur Growth A	OT	OT	LUX	03/08	EUR	7.17	2.0	48.4	-10.3
Eur Growth B	OT	OT	LUX	03/08	EUR	6.44	1.9	47.0	-11.2
Eur Growth B	OT	OT	LUX	03/08	USD	8.78	1.9	47.0	-11.2
Eur Growth C	EU	EQ	LUX	03/08	EUR	5.43	1.9	47.6	-10.8
Eur Growth I	OT	OT	LUX	03/08	USD	10.67	2.1	49.4	-9.6
Eur Growth I	OT	OT	LUX	03/08	EUR	7.83	2.1	49.4	-9.6
Eur Income A	OT	OT	LUX	03/08	EUR	6.77	3.6	53.3	7.5
Eur Income A	OT	OT	LUX	03/08	USD	9.23	3.6	53.3	7.5
Eur Income A2	OT	OT	LUX	03/08	EUR	13.35	3.7	53.4	7.6
Eur Income A2	OT	OT	LUX	03/08	USD	18.20	3.7	53.4	7.6
Eur Income AT	EU	BD	LUX	03/08	EUR	6.76	3.7	53.5	7.6
Eur Income B	OT	OT	LUX	03/08	EUR	6.77	3.4	52.5	6.8
Eur Income B	OT	OT	LUX	03/08	USD	9.23	3.4	52.5	6.8
Eur Income B2	OT	OT	LUX	03/08	EUR	12.40	3.6	52.3	6.8
Eur Income B2	OT	OT	LUX	03/08	USD	16.90	3.6	52.3	6.8
Eur Income BT	EU	BD	LUX	03/08	EUR	6.76	3.5	52.3	6.8
Eur Income C	OT	OT	LUX	03/08	EUR	6.77	3.5	52.8	7.1
Eur Income C	OT	OT	LUX	03/08	USD	9.23	3.5	52.8	7.1
Eur Income C2	OT	OT	LUX	03/08	EUR	13.29	3.6	52.8	7.1
Eur Income C2	OT	OT	LUX	03/08	USD	18.12	3.6	52.8	7.1
Eur Income I	OT	OT	LUX	03/08	EUR	6.77	3.7	54.1	8.1
Eur Income I	OT	OT	LUX	03/08	USD	9.23	3.7	54.1	8.1
Eur Strat Value A	OT	OT	LUX	03/08	EUR	8.62	1.1	61.4	-14.1
Eur Strat Value A	OT	OT	LUX	03/08	USD	11.75	1.1	61.4	-14.1
Eur Strat Value I	OT	OT	LUX	03/08	EUR	8.84	1.1	63.1	-13.4
Eur Strat Value I	OT	OT	LUX	03/08	USD	12.05	1.1	63.1	-13.4
Eur Value A	OT	OT	LUX	03/08	EUR	9.26	0.7	65.4	-10.4
Eur Value A	OT	OT	LUX	03/08	USD	12.62	0.7	65.4	-10.4
Eur Value B	OT	OT	LUX	03/08	USD	11.59	0.5	63.8	-11.3
Eur Value B	OT	OT	LUX	03/08	EUR	8.50	0.5	63.8	-11.3
Eur Value C	OT	OT	LUX	03/08	USD	12.19	0.6	64.6	-10.9
Eur Value C	OT	OT	LUX	03/08	EUR	8.94	0.6	64.6	-10.9
Eur Value I	OT	OT	LUX	03/08	USD	14.59	0.8	66.7	-9.8
Eur Value I	OT	OT	LUX	03/08	EUR	10.70	0.8	66.7	-9.8
Gl Balanced (Euro) A	OT	OT	LUX	03/08	USD	15.98	2.2	41.7	-6.0
Gl Balanced (Euro) B	OT	OT	LUX	03/08	USD	15.53	2.0	40.1	-6.9
Gl Balanced (Euro) C	OT	OT	LUX	03/08	USD	15.84	2.1	41.2	-6.2
Gl Balanced (Euro) I	OT	OT	LUX	03/08	USD	16.29	2.3	NS	NS
Gl Balanced A	US	BA	LUX	03/08	USD	16.55	0.4	46.5	-6.8
Gl Balanced B	US	BA	LUX	03/08	USD	15.70	0.2	45.0	-7.8
Gl Balanced C	OT	OT	LUX	03/08	USD	16.29	0.3	46.0	-7.1
Gl Balanced C	OT	OT	LUX	03/08	EUR	11.95	0.3	46.0	-7.1
Gl Balanced I	US	BA	LUX	03/08	USD	17.18	0.5	47.3	-6.2
Gl Bond A	US	BD	LUX	03/08	USD	9.37	2.1	17.8	5.2
Gl Bond A2	US	BD	LUX	03/08	USD	16.35	2.1	17.8	5.1
Gl Bond A2	OT	OT	NA	03/08	HKD	126.86	2.1	17.8	5.1
Gl Bond AT	OT	OT	LUX	03/08	HKD	72.62	2.2	17.9	5.2
Gl Bond AT	US	BD	LUX	03/08	USD	9.36	2.2	17.9	5.2
Gl Bond B	US	BD	LUX	03/08	USD	9.37	1.9	16.7	4.1
Gl Bond B2	US	BD	LUX	03/08	USD	14.30	2.0	16.6	4.1
Gl Bond B2	OT	OT	NA	03/08	HKD	110.95	2.0	16.6	4.1
Gl Bond BT	OT	OT	LUX	03/08	HKD	72.86	1.9	16.5	4.1
Gl Bond BT	US	BD	LUX	03/08	USD	9.39	1.9	16.5	4.1
Gl Bond C	US	BD	LUX	03/08	USD	9.37	2.0	17.3	4.7
Gl Bond C2	US	BD	LUX	03/08	USD	14.18	2.1	17.3	4.7
Gl Bond I	US	BD	LUX	03/08	USD	9.37	2.2	18.5	5.7
Gl Conservative A	US	BA	LUX	03/08	USD	14.93	0.9	27.3	-1.9
Gl Conservative A2	US	BA	LUX	03/08	USD	17.08	0.9	27.3	-1.9
Gl Conservative B	US	BA	LUX	03/08	USD	14.93	0.7	26.0	-2.8
Gl Conservative B2	US	BA	LUX	03/08	USD	16.20	0.7	26.0	-2.8
Gl Conservative C	US	BA	LUX	03/08	USD	14.92	0.8	26.6	-2.3
Gl Conservative C2	US	BA	LUX	03/08	USD	16.69	0.8	26.6	-2.3
Gl Conservative I	US	BA	LUX	03/08	USD	15.00	1.0	28.4	-1.0
Gl Eq Blend A	GL	EQ	LUX	03/08	USD	11.56	-0.9	68.0	-15.7
Gl Eq Blend B	GL	EQ	LUX	03/08	USD	10.83	-1.1	66.4	-16.5
Gl Eq Blend C	GL	EQ	LUX	03/08	USD	11.35	-1.0	67.4	-16.1
Gl Eq Blend I	GL	EQ	LUX	03/08	USD	12.22	-0.7	69.5	-15.0
Gl Growth A	GL	EQ	LUX	03/08	USD	41.75	-0.4	59.7	-16.2
Gl Growth B	GL	EQ	LUX	03/08	USD	34.79	-0.5	58.1	-17.0
Gl Growth C	GL	EQ	LUX	03/08	USD	40.03	-0.4	58.9	-16.5
Gl Growth I	GL	EQ	LUX	03/08	USD	46.43	-0.2	60.9	-15.5
Gl High Yield A	US	BD	LUX	03/08	USD	4.42	3.5	69.8	7.8
Gl High Yield A2	US	BD	LUX	03/08	USD	9.60	3.7	69.9	7.8
Gl High Yield A2	OT	OT	NA	03/08	HKD	74.49	3.7	69.9	7.8
Gl High Yield AT	OT	OT	NA	03/08	HKD	33.98	3.7	70.0	7.8
Gl High Yield AT	US	BD	LUX	03/08	USD	4.38	3.7	70.0	7.8
Gl High Yield B	US	BD	LUX	03/08	USD	4.42	3.3	67.8	6.5
Gl High Yield B2	US	BD	LUX	03/08	USD	15.41	3.6	68.2	6.7
Gl High Yield B2	OT	OT	NA	03/08	HKD	119.57	3.6	68.2	6.7
Gl High Yield BT	OT	OT	NA	03/08	HKD	34.61	3.5	68.0	6.7
Gl High Yield BT	US	BD	LUX	03/08	USD	4.46	3.5	68.0	6.7
Gl High Yield C	US	BD	LUX	03/08	USD	4.42	3.4	68.9	7.2
Gl High Yield C2	US	BD	LUX	03/08	USD	14.22	3.6	69.1	7.3
Gl High Yield I	US	BD	LUX	03/08	USD	4.42	3.6	70.9	8.5
Gl Thematic Res. A	OT	OT	LUX	03/08	USD	14.85	0.8	84.9	0.3
Gl Thematic Res. B	OT	OT	LUX	03/08	USD	12.97	0.6	83.2	-0.6
Gl Thematic Res. I	OT	OT	LUX	03/08	USD	16.58	0.9	86.3	1.1
Gl Value A	GL	EQ	LUX	03/08	USD	11.00	-1.3	77.4	-15.2
Gl Value B	GL	EQ	LUX	03/08	USD	10.09	-1.5	75.8	-16.1
Gl Value C	GL	EQ	LUX	03/08	USD	10.68	-1.4	76.5	-15.6
Gl Value I	GL	EQ	LUX	03/08	USD	11.71	-1.2	78.8	-14.6
Greater China A	AS	EQ	LUX	03/08	USD	39.06	-2.4	70.0	-7.9
Greater China B	AS	EQ	LUX	03/08	USD	34.51	-2.6	68.3	-8.8
Greater China C	AS	EQ	LUX	03/08	USD	38.54	-2.5	69.3	-8.3
India Growth A	OT	OT	LUX	03/08	USD	129.71	2.2	NS	NS
India Growth AX	OT	OT	LUX	03/08	USD	113.44	2.3	133.8	1.6
India Growth B	OT	OT	LUX	03/08	USD	135.63	2.0	NS	NS
India Growth BX	OT	OT	LUX	03/08	USD	96.79	2.1	131.4	0.6
India Growth I	EA	EQ	LUX	03/08	USD	117.67	2.4	134.8	2.0
Int'l Health Care A	OT	EQ	LUX	03/08	USD	142.38	3.6	42.7	-2.4
Int'l Health Care B	OT	EQ	LUX	03/08	USD	119.87	3.4	41.3	-3.4
Int'l Health Care C	OT	EQ	LUX	03/08	USD	136.34	3.5	42.1	-2.9
Int'l Health Care I	OT	EQ	LUX	03/08	USD	155.79	3.7	43.9	-1.6
Int'l Technology A	OT	EQ	LUX	03/08	USD	109.71	-0.6	73.6	-2.3
Int'l Technology B	OT	EQ	LUX	03/08	USD	94.89	-0.8	71.9	-3.3
Int'l Technology C	OT	EQ	LUX	03/08	USD	105.94	-0.7	72.9	-2.7
Int'l Technology I	OT	EQ	LUX	03/08	USD	123.19	-0.4	75.0	-1.5
Japan Eq Blend A	JP	EQ	LUX	03/08	JPY	6083.00	1.0	41.4	-14.6
Japan Eq Blend B	JP	EQ	LUX	03/08	JPY	5859.00	0.8	40.0	-15.4
Japan Eq Blend C	JP	EQ	LUX	03/08	JPY	5981.00	0.9	40.8	-14.9
Japan Growth A	JP	EQ	LUX	03/08	JPY	5777.00	-1.7	28.7	-16.4
Japan Growth B	JP	EQ	LUX	03/08	JPY	5565.00	-1.8	27.4	-17.2
Japan Growth C	JP	EQ	LUX	03/08	JPY	5681.00	-1.7	28.2	-16.7
Japan Strat Value A	JP	EQ	LUX	03/08	JPY	6342.00	3.6	54.1	-13.1
Japan Strat Value B	JP	EQ	LUX	03/08	JPY	6115.00	3.5	52.5	-14.0
Japan Strat Value C	JP	EQ	LUX	03/08	JPY	6230.00	3.5	53.3	-13.5
Real Estate Sec. A	OT	EQ	LUX	03/08	USD	14.48	0.9	103.4	-9.6
Real Estate Sec. B	OT	EQ	LUX	03/08	USD	13.21	0.7	101.4	-10.5
Real Estate Sec. I	OT	EQ	LUX	03/08	USD	15.58	1.0	105.0	-8.8
Short Mat Dollar A	US	BD	LUX	03/08	USD	7.28	0.7	15.7	-2.7
Short Mat Dollar A2	US	BD	LUX	03/08	USD	9.88	0.9	15.8	-2.7
Short Mat Dollar AT	US	BD	LUX	03/08	USD	7.27	0.9	15.7	-2.7
Short Mat Dollar B	US	BD	LUX	03/08	USD	7.28	0.7	15.2	-3.1
Short Mat Dollar B2	US	BD	LUX	03/08	USD	9.82	0.8	15.3	-3.2
Short Mat Dollar BT	OT	OT	LUX	03/08	USD	7.29	0.8	NS	-3.4
Short Mat Dollar C	US	BD	LUX	03/08	USD	7.28	0.7	15.2	-3.1
Short Mat Dollar C2	US	BD	LUX	03/08	USD	13.88	0.8	15.2	-3.2
Short Mat Dollar I	US	BD	LUX	03/08	USD	7.28	0.8	16.3	-2.1

Advertisement

[ALTERNATIVE INVESTMENT FUNDS www.WSJ.com] Advertisement

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	—%RETURN— YTD	12-MO	2-YR
ALEXANDRA INVESTMENT MANAGEMENT									
Tel: +1 212 301 1800 Fax: +1 212 301 1810									
Alexandra Convertible Bond Fund I, Ltd. (Class A)	OT	OT	VGB	01/29	USD	1778.08	5.1	80.4	NS
CREDIT PACIFIC ASSET MANAGMENT									
www.creditpacific.com									
CPS-Master Priv Fund	GL	OT	WSM	03/04	USD	106.17	6.2	29.0	22.8
PLATINUM CAPITAL MANAGEMENT									
Tel: +44 207 024 9840, www.platinumfunds.net									
Platinm-All Star	OT	OT	CYM	12/31	USD	97.22	15.7	15.7	-12.2
Platinm-All Weather	OT	OT	USA	10/31	USD	129.92	2.4	3.2	3.8
Platinm-Dynasty	OT	OT	USA	12/31	USD	116.00	12.9	12.9	-29.1
Platinm-Emancipation	OT	OT	USA	12/31	USD	93.12	24.4	24.4	-8.6
Platinm-Equity Plus	OT	OT	USA	05/29	USD	35.02	-18.2	-63.7	-45.6
Platinm-Gbl Dividend	OT	OT	CYM	12/31	USD	62.80	37.2	37.2	-26.9
Platinm-Nordic	OT	OT	CYM	12/31	SEK	617.36	13.2	13.2	-16.2
Platinm-Premier	OT	OT	CYM	12/31	USD	21.20	-55.9	-66.0	-44.3
Platinm-Turnberry	OT	OT	USA	12/31	USD	60.07	NS	NS	-29.4
SUPERFUND ASSET MANAGEMENT GMBH									
For info about open funds, contact info@superfund.com and www.superfund.com									
**Closed for New Investments*									
Superfund Cayman*	OT	OT	CYM	03/02	USD	36.86	-9.6	-57.1	-21.6
Superfund GCT USD*	GL	EQ	LUX	03/02	USD	2015.00	-8.2	-45.9	-16.0
Superfund Green Gold A (SPC)	OT	OT	CYM	03/02	USD	945.02	-2.0	-24.1	-9.3
Superfund Green Gold B (SPC)	OT	OT	CYM	03/02	USD	887.44	-5.2	-39.0	-16.7
Superfund Q-AG*	OT	OT	AUT	03/02	EUR	6312.00	-4.7	-29.0	-6.5
WINTON CAPITAL MANAGEMENT LTD									
Tel: +44 (0)20 7610 5350 Fax: +44 (0)20 7610 5301									
Winton Evolution EUR Cls H	OT	OT	CYM	02/26	EUR	948.03	0.3	-6.0	NS
Winton Evolution GBP Cls G	OT	OT	CYM	02/26	GBP	955.79	0.7	-5.2	NS
Winton Evolution USD Cls F	OT	OT	CYM	02/26	USD	1203.51	0.4	-5.9	-0.4
Winton Futures EUR Cls C	OT	OT	VGB	02/26	EUR	196.05	-0.4	-5.7	1.6
Winton Futures GBP Cls D	OT	OT	VGB	02/26	GBP	212.23	-0.3	-5.2	2.4
Winton Futures JPY Cls E	OT	OT	VGB	02/26	JPY	13978.70	0.7	-5.5	-0.1
Winton Futures USD Cls B	OT	OT	VGB	02/26	USD	696.84	-0.4	-5.7	1.3
ALLIANZ GLOBAL INVESTORS KAPITALANLAGEGESELLSCHAFT									
Concentra AE	EU	EQ	DEU	03/09	EUR	50.99	-1.6	75.2	-3.4
Industria AE	EU	EQ	DEU	03/09	EUR	71.58	1.1	58.3	-10.1
InternRent AE	EU	BD	DEU	03/09	EUR	37.59	6.7	6.0	11.1
CHARTERED ASSET MANAGEMENT PTE LTD - TEL NO: 65-6835-8866									
Fax No: 65-6835 8865, Website: www.cam.com.sg, Email: cam@cam.com.sg									
CAM-GTF Limited	AS	EQ	MUS	02/26	USD	291543.70	6.2	132.5	11.4

For information about listing your funds, please contact: Carson Wong tel: +852 2831-6481; email: carson.wong@dowjones.com

MARKETS

Telecom shares get lift from Cisco's new router

By Donna Kardos Yesalavich And Kristina Peterson

NEW YORK—U.S. stocks climbed as the telecommunications sector steamed ahead after **Cisco Systems** announced it has developed a new high-speed Internet router.

The Dow Jones Industrial Average was up 30 points, or 0.3%, at 10582, in midday trading. Its telecommunications components built on earlier gains after Cisco unveiled a new Internet router whose capacity the company said is 12 times that of its rivals and can download the entire collection of the Library of Congress in just over one second.

ABREAST OF THE MARKET

Telecom components **AT&T** and **Verizon Communications** advanced. Verizon gained 1%, while AT&T climbed 1.5% after saying it completed a trial of faster Internet pipe, a 100-gigabit-per-second Internet feed, using Cisco's new router.

But after hitting a 52-week high Monday ahead of the announcement, Cisco was down 0.5%, paring some of its earlier decline.

Boeing climbed 0.9% after **Northrop Grumman** said it would drop out of a long quest to win a $40 billion contract to build the U.S. Air Force's next generation of aerial-refueling planes, leaving Boeing as the only competitor left standing.

On the downside, **Merck** fell 1.1%, while **Alcoa** lost 0.8%, reacting to a slip in metals futures.

The Nasdaq Composite was up 0.5%, while the Standard & Poor's 500-share index gained 0.3%, led by its telecommunications sector. Materials and utilities, meanwhile, lagged as commodities prices slid.

Tuesday marks the one-year anniversary of the stock market's rebound from its 12-year lows last year. The anniversary comes at a time when investors are concerned the huge rally of the past year—with the Dow up more than 60% from a year ago—may have gotten ahead of itself, leaving less room for additional gains this year.

General Growth Properties climbed 5.8% after the shopping-center operator got a proposal to help it emerge from bankruptcy.

European stocks

European shares marked the one-year anniversary of multiyear lows with a flat finish, as worries about sovereign debt and earnings-related weakness from EADS offset gains in defensive sectors like food and health.

The pan-European Stoxx 600 index closed down 0.07 point at 256.80; that was up 63% from its level a year earlier. The U.K. FTSE 100 index declined 0.1% to 5602.30, the German DAX index gained 0.2% to 5885.89 and the French CAC-40 index added 0.2% to 3910.01.

European Aeronautic Defense & Space fell 2.8% after the Airbus parent swung to a quarterly loss.

Deutsche Post rose 2.2%. The mail and logistics company narrowed its fourth-quarter net loss.

Japan yields head lower after debt sale

By Takashi Mochizuki

TOKYO—Japanese government-bond yields fell Tuesday, as buying was driven by strong demand at a 30-year auction and speculation that the Bank of Japan may ease its monetary policy.

Some investors bought shorter-term bonds on views the central bank will expand its liquidity-supplying programs at next week's policy-board meeting. The benchmark 10-year yield was down 0.015 percentage point to 1.300%.

BOND MARKETS

"Many investors have begun to price in BOJ easing in March, and that's the main reason behind rises in shorter-term bonds," said Naomi Hasegawa, a strategist at Mitsubishi UFJ Securities.

Longer-term bonds, meanwhile, were supported by a firm 30-year auction during the afternoon, analysts said.

Japan's Ministry of Finance said it sold 551.5 billion yen of the 30-year bonds at a lowest price of 99.90 yielding 2.305%, a tad higher than the 99.80 expected by traders. Life-insurance firms looking to lengthen the duration of their portfolios were especially active at the tender.

Looking ahead, analysts said government-bond prices will likely keep rising because of growing speculation over further easing by the Bank of Japan.

Tokyo slips; China Life, China Southern gain

By Ayai Tomisawa And Colin Ng

Tokyo stocks declined Tuesday in lackluster Asian trade, as steelmakers and exporters succumbed to profit-taking, while **Fujitsu** was hammered for a second day on concerns over its former president's resignation.

The Nikkei Stock Average of 225 companies fell 0.2% to 10567.65 after rising 4.3% over the previous two sessions.

ASIAN-PACIFIC STOCKS

Exporters were hurt as the dollar dipped below 90 yen. **Advantest** lost 1.3%.

Among steelmakers, **Nippon Steel** dropped 1.1%.

Fujitsu slid 3.8% to its lowest close this year as investors continued to question whether a dispute over its former president's resignation would distract the company from pursuing its business strategy. The Tokyo Stock Exchange said it had launched an investigation to see whether the company intentionally hid information over the incident last year.

Most other Asian markets rose marginally.

"The underlying theme of the market is bullish, but I think we will see quite a labored tape from here and the market probably needs an excuse to buy the dips," said Chris Weston, IG Markets institutional dealer in Sydney.

Shanghai and Hong Kong shares got help from an upbeat forecast from **China Life Insurance** and **China Southern Airlines**, whose shares jumped on plans to raise funds through a private placement.

China Life climbed 3% in Hong Kong and 3.3% in Shanghai after the mainland insurance company said in a revised forecast that its 2009 net profit could rise more than 200% because of a change in accounting rules.

China Southern Airlines jumped 7.1% in Hong Kong and 3.5% in Shanghai after the airline said it planned to raise 10.75 billion yuan ($1.57 billion) via a private placement to boost its capital.

BOC Hong Kong Holdings lost 1.3% after UBS Investment downgraded the lender's stock to "neutral" from "buy," citing concerns over pressure on interest-rate margins.

Resource stocks around the region lost ground, after outperforming on Monday, as gold prices slipped. In Hong Kong, **Zhaojin Mining Industry** fell 1.4%, while in Sydney, **Lihir Gold** shed 1.7%.

Arrow Energy declined 1.8% in Sydney after Monday's 47% surge in the wake of a takeover bid from Royal Dutch Shell and PetroChina.

Financial shares led the way in Australia after job advertisements surged 19.1% on-month in February and **National Australia Bank**'s business-confidence index for February rose four points to 19. National Australia Bank's shares gained 2.1%.

—V. Phani Kumar and Leslie Shaffer contributed to this article.

[Search by company, category or country at asia.WSJ.com/funds] INTERNATIONAL INVESTMENT FUNDS Advertisement

GAM

■ GAM FUND MANAGEMENT LIMITED
George's Court, 54-62 Townsend Street, Dublin 2, Ireland
Tel +353 1 609 3927 Fax +353 1 611 7941, Internet: www.gam.com

FUND NAME	GF	AT	LB	NAV DATE	CR	NAV	YTD	12-MO	2-YR
GAM Arbitrage Op	OT	OT	VGB	02/26	USD	1295.10	4.2	28.1	-5.8
GAM Asia Eq Hdg JPY Op	GL	EQ	VGB	03/01	JPY	14055.34	-9.5	65.5	0.3
GAM Asia Equity Hedge US	OT	OT	VGB	03/01	USD	262.69	-9.5	66.3	1.5
GAM Asia Equity USD	OT	OT	VGB	03/08	USD	638.92	-2.3	85.4	-7.4
GAM Asia-Pacific Eq USD	OT	OT	VGB	03/02	USD	1288.55	0.4	46.4	-12.9
GAM Com Glb Bal EUR Op	US	BA	VGB	02/26	EUR	96.23	-0.6	22.8	-7.5
GAM Com Glb Bal USD Op	US	BA	VGB	02/26	USD	127.05	-0.6	22.8	-7.5
GAM Comp Glb Eq EUR Op	GL	EQ	VGB	02/26	EUR	98.45	-2.0	36.5	-13.2
GAM Comp Glb Eq USD Op	GL	EQ	VGB	02/26	USD	124.92	-2.0	36.5	-13.2
GAM Comp Glb Gr EUR Op	US	BA	VGB	02/26	EUR	87.09	-1.7	25.7	-11.2
GAM Comp Glb Gr USD Op	US	BA	VGB	02/26	USD	124.96	-1.7	25.7	-11.2
GAM CompAbsRT EUR Op	OT	OT	VGB	09/30	EUR	141.71	9.1	0.1	-6.9
GAM CompAbsRT SGD Op	OT	OT	VGB	09/30	SGD	102.21	9.2	-0.1	-8.3
GAM CompAbsRT USD Op	OT	OT	VGB	09/30	USD	845.66	9.5	0.7	-7.0
GAM Cptal Apprec Eq Inc	US	EQ	VGB	03/05	USD	256.35	3.1	63.1	-4.9
GAM Cross Trading Inc	OT	OT	VGB	02/26	USD	460.25	-1.2	3.0	1.5
GAM Diversity CHF Op	OT	OT	VGB	02/26	CHF	93.96	-0.4	3.2	-6.2
GAM Diversity EUR Op	OT	OT	VGB	02/26	EUR	646.71	-0.3	3.8	-4.7
GAM Diversity USD 2.5XL	OT	OT	VGB	02/26	USD	77.49	-1.0	6.9	-17.8
GAM Diversity USD Op	OT	OT	VGB	02/26	USD	679.15	-0.3	3.9	-5.3
GAM Dvrsty II CHF Op	OT	OT	VGB	02/26	CHF	99.14	-0.4	2.6	-5.8
GAM Dvrsty II EUR Op	OT	OT	VGB	02/26	EUR	138.37	-0.3	2.9	-4.8
GAM Dvrsty II USD Op	OT	OT	VGB	02/26	USD	209.57	-0.3	3.2	-5.1
GAM DvrstyIII EUR Op	OT	OT	VGB	02/26	EUR	115.18	-0.3	2.9	-5.0
GAM DvrstyIII USD Op	OT	OT	VGB	02/26	USD	121.64	-0.3	3.1	-5.1
GAM Euro Eq Hdg EUR Op	EU	EQ	VGB	03/01	EUR	219.63	0.4	14.9	-1.8
GAM Euro Eq Hdg USD Op	OT	OT	VGB	03/01	USD	203.83	0.2	16.0	-0.9
GAM European Equity USD	OT	OT	VGB	03/05	USD	281.42	-4.0	58.7	-10.8
GAM GAMCO	OT	EQ	VGB	03/02	USD	834.20	2.9	67.3	-7.4
GAM Gb EmMkts Hdg EUROp	OT	OT	VGB	03/01	EUR	96.97	-0.9	12.5	-16.1
GAM Gb EmMkts Hdg USDOp	OT	OT	VGB	03/01	USD	102.42	-0.7	13.3	-15.3
GAM Gbl Divers USD Inc.	GL	EQ	VGB	03/01	USD	249.66	-0.1	44.7	-5.5
GAM Grtr China Eq Hdg Op	GL	EQ	VGB	03/01	USD	260.39	-9.2	100.9	19.3
GAM Intrst Trend II	GL	BD	VGB	02/26	USD	105.18	11.7	78.5	-1.9
GAM Intrst Trend Inc	OT	OT	VGB	02/26	USD	280.08	11.4	96.6	-0.5
GAM Japan Eq Hdg EUR Op	AS	EQ	VGB	03/01	EUR	123.08	5.5	23.2	-0.9
GAM Japan Eq Hdg USD Op	OT	OT	VGB	03/01	USD	125.87	3.1	22.3	-14.6
GAM Japan Eq Hdg YEN Open	AS	EQ	VGB	03/01	JPY	8666.73	3.1	23.2	-13.6
GAM Japan USD	JP	EQ	VGB	03/08	USD	1166.64	5.8	48.0	-9.6
GAM Japan YEN	JP	EQ	VGB	03/08	JPY	9220.25	4.5	42.4	-13.7
GAM Money Mkt EuroOp	EU	MM	VGB	03/05	EUR	51.17	0.7	0.8	1.7
GAM Money Mkt USD	US	MM	VGB	03/05	USD	100.03	0.1	0.0	0.6
GAM Multi-Arb EUR Op	OT	OT	VGB	02/26	EUR	112.52	1.2	1.4	-8.1
GAM Multi-Arb USD Op	OT	OT	VGB	02/26	USD	117.40	1.2	1.6	-8.4
GAM Multi-China EUR Op	OT	OT	VGB	02/26	EUR	160.32	-4.6	NS	-6.5
GAM Multi-China USD Op	OT	OT	VGB	02/26	USD	168.97	-4.3	8.1	-7.1
GAM Multi-Emer Mkts GBP	OT	OT	VGB	02/26	GBP	128.51	-2.3	23.0	-2.1
GAM Multi-Emer Mkts USD	OT	OT	VGB	02/26	USD	636.36	-2.2	23.2	-2.5
GAM Multi-Eur EUR Op	OT	OT	VGB	02/26	EUR	264.14	-1.7	3.5	-6.4
GAM Multi-Eur II EUR Op	OT	OT	VGB	02/26	EUR	135.91	-1.7	3.4	-6.5
GAM Multi-Eur II USD Op	OT	OT	VGB	02/26	USD	111.17	-1.7	3.4	-7.5
GAM Multi-Eur USD Op	OT	OT	VGB	02/26	USD	459.73	-1.7	3.3	-7.4
GAM Multi-Nth Am EUR Special	OT	OT	VGB	02/26	EUR	133.40	-0.4	8.8	-1.9
GAM Multi-Nth Am USD Special	OT	OT	VGB	02/26	USD	217.04	-0.5	9.0	-2.1
GAM Multi-Pac EUR Op	GL	EQ	VGB	02/26	EUR	139.32	-2.8	0.9	-3.7
GAM Multi-Pac USD Op	OT	OT	VGB	02/26	USD	160.94	-2.7	1.6	-4.0
GAM Portable Dvr/S&P500	OT	OT	VGB	08/24	USD	70.11	17.7	-27.7	-22.9
GAM Selection Hdg	US	EQ	VGB	02/26	USD	2697.91	2.3	68.6	13.1
GAM Sing/Malaysia	AS	EQ	VGB	03/08	USD	2500.30	-1.0	76.2	-3.0
GAM Sterling Spe Bd Inc	OT	OT	VGB	03/01	GBP	238.99	3.9	52.8	6.6
GAM Trading EUR Inc	OT	OT	VGB	02/26	EUR	321.07	-1.3	2.6	3.3
GAM Trading USD Inc	OT	OT	VGB	02/26	USD	961.40	-1.2	3.1	2.7
GAM Trdg II IncEUR Op	OT	OT	VGB	02/26	EUR	137.36	-1.2	2.5	3.3
GAM Trdg II IncUSD Op	OT	OT	VGB	02/26	USD	312.17	-1.2	3.1	2.7
GAM Trdg IV IncEUR Op	OT	OT	VGB	02/26	EUR	144.90	-1.3	2.4	3.0
GAM Trdg IV IncUSD Op	OT	OT	VGB	02/26	USD	152.62	-1.2	2.9	2.5
GAM Trdg V IncEUR Op	OT	OT	VGB	02/26	EUR	122.83	-1.3	2.8	2.9
GAM Trdg V IncUSD Op	OT	OT	VGB	02/26	USD	128.05	-1.2	3.3	2.5
GAM TrdgIII IncEUR Op	OT	OT	VGB	02/26	EUR	154.93	-1.3	2.4	2.9
GAM TrdgIII IncUSD Op	OT	OT	VGB	02/26	USD	160.53	-1.2	2.9	2.6
GAM USDSpecBondInc	US	BD	VGB	03/01	USD	560.55	5.8	104.1	10.3
GAM Worldwide	GL	EQ	VGB	03/05	USD	2179.30	-2.1	58.7	-8.3
GAMut Investments	OT	OT	VGB	03/03	USD	7629.94	0.6	1.1	6.0

■ GAM Star Fund Plc

GAMStar-AsEqCHF Ord Ac	AS	EQ	IRL	03/05	CHF	10.94	-0.9	61.8	-7.5
GAMStar-AsEqEUR Ord Ac	AS	EQ	IRL	03/05	EUR	11.98	0.6	65.2	-2.9
GAMStar-AsEqGBP Ord Ac	AS	EQ	IRL	03/05	GBP	1.60	2.1	67.4	5.2
GAMStar-AsEqUSD Ord Ac	AS	EQ	IRL	03/05	USD	12.83	-4.4	80.0	-8.0
GAMStar-AsPacEqEUR Acc	AS	EQ	IRL	03/05	EUR	106.32	5.1	39.9	-4.6
GAMStar-AsPacEqEUR Inc	AS	EQ	IRL	03/05	EUR	102.89	5.1	39.9	-4.6
GAMStar-ContEurEqEUR Ac	EU	EQ	IRL	03/05	EUR	11.25	2.3	51.3	-2.8
GAMStar-EurpEqEUR Acc	EU	EQ	IRL	03/05	EUR	185.11	1.1	48.1	-5.9
GAMStar-EurpEqEUR Inc	EU	EQ	IRL	03/05	EUR	169.14	1.1	48.0	-5.9
GAMStar-EurpEqUSD Acc	EU	EQ	IRL	03/05	USD	15.38	-3.8	61.1	-10.7
GAMStar-EurpEqUSD Inc	EU	EQ	IRL	03/05	USD	13.95	-3.8	61.0	-10.7
GAMStar-FrontierOppUSD Acc	GL	EQ	IRL	03/05	USD	5.59	1.8	49.7	NS
GAMStar-JpnEq EUR Acc	JP	EQ	IRL	03/08	EUR	95.39	8.4	41.1	-2.6
GAMStar-JpnEq EUR Inc	JP	EQ	IRL	03/08	EUR	95.40	8.4	41.1	-2.6
GAMStar-JpnEq JPY Acc	JP	EQ	IRL	03/08	JPY	960.68	4.3	41.6	-13.5
GAMStar-JpnEq USD Acc	JP	EQ	IRL	03/08	USD	11.74	5.6	46.8	-9.7
GAMStar-World EqUSD Acc	GL	EQ	IRL	03/05	USD	2194.67	-1.9	59.7	-7.8

LIST YOUR FUNDS

In print & online. Contact:
carson.wong@dowjones.com

THE WALL STREET JOURNAL. ASIA
PRINT • ONLINE • MOBILE

Manulife WEALTH MANAGEMENT 宏利財富管理

■ MANULIFE ASSET MANAGEMENT TEL:(852)2108 1110
Internet:http://www.manulife.com.hk 47/F Manulife Plaza, Causeway Bay, Hong Kong

American Growth	US	EQ	LUX	03/09	USD	15.48	1.2	61.2	-7.5
American Growth AA	US	EQ	LUX	03/09	USD	0.89	1.1	60.8	-5.7
Asian Equity	AS	EQ	LUX	03/09	USD	2.42	-1.7	87.0	-5.4
Asian Equity AA	AS	EQ	LUX	03/09	USD	0.78	-1.7	86.3	-5.7
Asian Sm Cap Equity AA	AS	EQ	LUX	03/09	USD	1.18	2.6	125.0	2.1
China Value A	AS	EQ	LUX	03/09	USD	6.84	-3.8	72.1	-1.2
China Value AA	AS	EQ	LUX	03/09	USD	2.15	-3.9	71.7	-1.5
Dragon Growth	AS	EQ	LUX	03/09	USD	1.61	-2.6	79.7	-2.6
Dragon Growth AA	OT	OT	LUX	03/09	HKD	7.83	-2.5	79.4	-3.5
Emg Eastrn Europe A	EU	EQ	LUX	03/09	USD	4.65	2.4	143.6	-11.7
Emg Eastrn Europe AA	EU	EQ	LUX	03/09	USD	2.00	2.3	143.2	-11.8
European Growth	EU	EQ	LUX	03/09	USD	8.69	-3.7	82.3	-15.1
European Growth AA	EU	EQ	LUX	03/09	USD	0.62	-3.8	81.9	-15.3
Global Contrarain AA	GL	EQ	LUX	03/09	USD	0.93	5.3	137.6	NS
Global Property AA	OT	EQ	LUX	03/09	USD	0.69	1.6	107.1	-9.0
Global Resources AA	OT	EQ	LUX	03/09	USD	1.08	0.5	66.6	-15.6
Healthcare AA	OT	EQ	LUX	03/09	USD	0.99	5.0	47.0	NS
India Equity AA	EA	EQ	LUX	03/09	USD	1.08	-0.8	110.8	-4.9
International Growth	GL	EQ	LUX	03/09	USD	3.05	0.2	54.8	-11.6
International Growth AA	GL	EQ	LUX	03/09	USD	0.71	0.2	54.4	-11.8
Japanese Growth	JP	EQ	LUX	03/09	USD	2.84	2.7	43.9	-9.0
Japanese Growth AA	JP	EQ	LUX	03/09	USD	0.75	3.4	44.5	-8.9
Latin America Equity AA	GL	EQ	LUX	03/09	USD	1.27	-1.1	126.7	-4.9
Manulife GF Strategic Income Fund AA	OT	OT	NA	03/09	USD	1.03	2.7	NS	NS
MGF Asia Value Dividend Equity Fund	OT	OT	Lux	03/09	USD	1.15	0.9	NS	NS
Russia Equity AA	EE	EQ	LUX	03/09	USD	0.68	7.7	167.0	-16.8
Taiwan Equity AA	AS	EQ	LUX	03/09	USD	1.02	-5.6	81.3	-3.7
Turkey Equity AA	EE	EQ	LUX	03/09	USD	0.75	-1.1	177.4	1.6
U.S. Bond AA	US	BD	LUX	03/09	USD	1.13	2.4	20.8	8.7
U.S. Sm Cap Equity AA	US	EQ	LUX	03/09	USD	0.91	11.4	117.0	-2.3
U.S. Special Opportunities	OT	OT	LUX	03/09	USD	0.89	10.2	123.3	10.1
U.S. Tsy Inf-ProtSec AA	OT	BD	LUX	03/09	USD	1.14	0.2	9.7	0.2

■ PT CIPTADANA ASSET MANAGEMENT
Tel: +62 21 25574 883 Fax: +62 21 25574 893 Website: www.ciptadana.com

Indonesian Grth Fund	EA	EQ	CYM	02/24	USD	129.40	1.6	135.8	-2.6

Sensible Asset Management
A Value Partners Group company

■ SENSIBLE ASSET MANAGEMENT LIMITED
www.samfund.com.hk Tel: (852) 2868 6848 Fax: (852) 2810 9948

Asia Value Formula Fd-B	AS	EQ	CYM	03/08	USD	8.10	1.0	114.9	-1.2

SOCIETE GENERALE Asset Management

■ SG ASSET MANAGEMENT (HK) LTD
Hotline in Hong Kong 2166 5099
A company of Amundi Group
www.sgam.com

Bonds Eur Hi Yld A	OT	OT	LUX	03/05	EUR	21.50	4.4	64.4	5.7
Bonds EURO A	OT	OT	LUX	03/05	EUR	41.60	1.4	5.0	4.9
Bonds EUROPE A	OT	OT	LUX	03/05	EUR	39.65	1.4	3.9	4.3
Bonds US OppsCoreplus A	OT	OT	LUX	03/05	USD	37.43	1.4	17.4	8.5
Bonds World A	OT	OT	LUX	03/05	USD	41.60	-1.0	13.4	2.5
Eq. AsiaPac Dual Strategies A	OT	OT	LUX	03/08	USD	10.25	-1.7	93.4	-5.2
Eq. China A	AS	EQ	LUX	03/08	USD	22.80	-5.5	75.5	-6.4
Eq. Concentrated Euroland A	OT	OT	LUX	03/08	EUR	92.28	-0.7	49.2	-11.1
Eq. ConcentratedEuropeA	EU	EQ	LUX	03/08	EUR	27.08	0.2	59.9	-10.6
Eq. Emerging Europe A	OT	OT	LUX	03/05	EUR	25.64	8.9	121.2	-17.3
Eq. Euroland A	EU	EQ	LUX	03/08	EUR	10.78	-0.4	53.9	-12.0
Eq. Euroland Small Cap A	OT	OT	LUX	03/05	EUR	145.07	2.8	61.5	-5.9
Eq. EurolandCyclclsA	EU	EQ	LUX	03/05	EUR	18.19	2.2	55.8	-8.9
Eq. EurolandFinancialA	OT	EQ	LUX	03/05	EUR	10.82	-4.3	103.1	-16.1
Eq. Glbl Emg Cty A	GL	EQ	LUX	03/08	USD	9.23	-4.6	80.5	-13.0
Eq. Global A	GL	EQ	LUX	03/08	USD	28.07	0.8	69.4	-8.4
Eq. Global Energy A	OT	OT	LUX	03/05	USD	17.79	-1.9	50.8	-16.0
Eq. Global Resources A	OT	OT	LUX	03/05	USD	109.93	0.7	70.9	-14.5
Eq. Gold Mines A	OT	EQ	LUX	03/05	USD	30.54	0.8	48.9	-7.7
Eq. India A	OT	OT	LUX	03/08	USD	130.24	-0.4	110.8	-4.9
Eq. Japan CoreAlpha A	OT	OT	LUX	03/08	JPY	7605.63	4.8	48.2	-4.4
Eq. Latin America A	OT	OT	LUX	03/05	USD	113.70	-2.2	105.4	-11.6
Eq. US Lg Cap Gr A	US	EQ	LUX	03/05	USD	15.47	1.4	63.8	-7.7
Eq. US Rel Val A	US	EQ	LUX	03/05	USD	21.07	2.3	79.4	-10.3
Eq. US Sm Cap Val A	US	EQ	LUX	03/08	USD	16.77	5.1	84.7	-11.1
Money Market EURO A	EU	MM	LUX	03/05	EUR	27.41	0.1	0.6	2.3
Money Market USD A	US	MM	LUX	03/05	USD	15.83	0.0	0.3	1.3

The National Investor

■ THE NATIONAL INVESTOR
TNI Tower | Zayed 1st Street Khalidia| Web:www.tni.ae

TNI Mena Real Estate Fund	OT	OT	BMU	03/04	USD	887.13	-7.7	2.4	-32.3
TNI MENA Special Sits Fund	OT	OT	BMU	02/28	USD	1109.04	2.8	16.0	NS
TNI UAE Blue Chip Fund	OT	OT	ARE	03/04	AED	4.76	-10.6	9.7	-37.1

Value Partners
Investing through discipline

■ WEBSITE: WWW.VALUEPARTNERS.COM.HK, TEL: (852) 2880 9263, FAX: (852) 2564 8487

Intel-Chin MainInd Foc	AS	EQ	CYM	02/26	USD	28.68	-3.9	76.4	6.4
Intel-China Converg*	AS	EQ	CYM	02/26	USD	109.61	-3.9	76.5	4.4
VP Classic - A	AS	EQ	CYM	03/08	USD	185.56	-0.5	92.1	3.7
VP Classic - B	AS	EQ	CYM	03/08	USD	86.41	-0.6	91.1	3.2
VP High Dividend Stk	AS	EQ	CYM	03/01	USD	45.70	0.6	87.3	5.1

*formerly known as China ABH Shares Fund

yuki
Yuki Management & Research
Tel +81-3-5299-3277 www.yukijapan.co.jp

■ YUKI INTERNATIONAL LIMITED
Tel +44-207-269 0203 www.yukifunds.com

■ YMR-N Series									
YMR-N Growth Fund	OT	OT	IRL	03/09	JPY	9273.00	-2.0	34.5	-16.4
YMR-N Small Cap Fund	OT	OT	IRL	03/09	JPY	6683.00	-4.7	23.9	-17.0
■ Yuki 77 Series									
Yuki 77 General	JP	EQ	IRL	03/09	JPY	5965.00	-3.0	26.6	-20.1
Yuki 77 Growth	JP	EQ	IRL	03/09	JPY	5457.00	-3.3	17.5	-24.1
■ Yuki Chugoku Series									
Yuki Chugoku Jpn Gen	JP	EQ	IRL	03/09	JPY	6768.00	-0.9	34.0	-15.7
Yuki Chugoku JpnLowP	JP	EQ	IRL	03/09	JPY	7866.00	4.3	24.6	-14.4
■ Yuki Hokuyo Japan Series									
Yuki Hokuyo Jpn Gen	JP	EQ	IRL	03/09	JPY	4651.00	-0.5	29.4	-20.0
Yuki Hokuyo Jpn Inc	JP	EQ	IRL	03/09	JPY	5327.00	1.5	28.3	-14.6
Yuki Hokuyo Jpn Sm Cap	JP	EQ	IRL	03/09	JPY	4831.00	-5.4	21.5	-17.5
■ Yuki Mizuho Series									
Yuki Mizuho Gen Jpn III	OT	OT	IRL	03/09	JPY	4300.00	-2.7	28.5	-24.3
Yuki Mizuho Jpn Dyn Gro	OT	OT	IRL	03/09	JPY	4536.00	-2.8	27.9	-24.2
Yuki Mizuho Jpn Exc 100	OT	OT	IRL	03/09	JPY	6784.00	-2.7	37.7	-18.7
Yuki Mizuho Jpn Gen	OT	OT	IRL	03/09	JPY	8503.00	-1.3	33.5	-15.9
Yuki Mizuho Jpn Gro	OT	OT	IRL	03/09	JPY	6189.00	-2.7	24.7	-18.7
Yuki Mizuho Jpn Inc	OT	OT	IRL	03/09	JPY	7691.00	0.7	17.5	-17.5
Yuki Mizuho Jpn Lg Cap	OT	OT	IRL	03/09	JPY	5167.00	-0.4	33.7	-17.1
Yuki Mizuho Jpn LowP	OT	OT	IRL	03/09	JPY	11679.00	1.0	32.1	-12.3
Yuki Mizuho Jpn PGth	OT	OT	IRL	03/09	JPY	7617.00	-4.3	24.7	-21.4
Yuki Mizuho Jpn SmCp	OT	OT	IRL	03/09	JPY	6634.00	-7.0	27.6	-18.8
Yuki Mizuho Jpn Val Sel	OT	OT	IRL	03/09	JPY	5671.00	0.4	32.9	-14.2
Yuki Mizuho Jpn YoungCo	OT	OT	IRL	03/09	JPY	2636.00	-3.3	31.2	-22.8
■ Yuki Shizuoka Japan Series									
Yuki Shizuoka General Japan	JP	EQ	IRL	03/09	JPY	5375.00	-0.8	33.4	-17.0

For information about listing your funds, please contact: Carson Wong tel: +852 2831-6481; email: carson.wong@dowjones.com

BLUE CHIPS & BONDS

Major players & benchmarks

At right, a look at the Asia Titans, the biggest and best known companies in Asia. Below, some of the Dow Jones Titans indexes of biggest and most liquid stocks in individual countries and regions

Giants around the world

In U.S.-dollar terms.

Dow Jones Country Titans

	INDEX PERFORMANCE		
	Previous session	Year-to-date	52-week
Sweden	-0.63%	5.2%	60.7%
Switzerland	-0.28	4.7	62.8
U.K.	-0.30	3.2	51.9
Netherlands	-0.04	3.1	69.9
Japan	-0.32	1.8	36.1
Canada	-0.31	0.9	47.4
Russia	-1.03	0.5	62.5
South Africa	-0.70	0.5	41.7
Australia	0.40	0.1	49.4
France	-0.10	-1.3%	48.7
Turkey	-0.38	-1.7	120.6
Germany	-0.05	-1.9	44.2
Hong Kong	0.11	-2.3	67.2
South Korea	0.19	-2.5	54.2
Singapore	0.23	-2.6	93.8
Italy	-0.40	-3.5	68.5
Brazil	0.05	-5.3	97.8
Spain	-0.88	-6.3	43.3
China 88	0.75	-9.4	39.0

Dow Jones Regional Sector Titans

Travel Leisure	0.01%	6.1%	58.9%
Ind Gds Svcs	0.25	5.1	82.9
Arab 50	0.59	4.9	36.0
Pers H'hold Gds	-0.24	4.7	53.5
Retail	-0.19	3.2	56.0
Asian 50	0.30	2.2	69.4
Media	-0.28	1.7	70.6
DJ Sector Titans Real Estate Index	0.28	0.9	87.5
Global 50	-0.26	-2.3%	49.2
Tiger 50*	0.06	-3.3	86.2

*Asia excluding Japan

Source: Dow Jones Indexes

Dow Jones Asia Titans: Tuesday's best and worst...

Company	Country	Industry	Market value, in billions of US$	Previous close, in local currency	STOCK PERFORMANCE Previous session	52-week	Three-year
China Life Ins	Hong Kong	Life Insurance	$34.8	36.25	2.98%	69.4%	69.0%
QBE Ins Grp	Australia	Reinsurance	19.7	21.10	2.13	31.5	-31.5
Panasonic	Japan	Consumer Electronics	30.7	1,334	2.07	26.7	-44.0
National Australia Bk	Australia	Banks	51.3	26.87	2.05	65.1	-32.8
Sony	Japan	Consumer Electronics	36.9	3,330	1.06	93.3	-45.5
East Japan Railway	Japan	Travel Tourism	$26.9	6,110	-1.93%	17.5	-34.1
Seven I Hldgs	Japan	Broadline Retailers	19.8	1,969	-1.20	2.5	-45.5
Nippon Steel	Japan	Iron Steel	24.2	346.00	-1.14	41.2	-60.1
RioZim Ltd	Australia	General Mining	42.1	76.15	-1.03	99.8	29.5
Sumitomo Mitsui Finl	Japan	Banks	43.2	2,876	-0.96	6.9	-74.3

...And the rest of Asia's blue chips

Company/Country (Industry)	Market value, in billions (U.S)	Latest, in local currency	STOCK PERFORMANCE Latest	52-week	Three-year
Commonwlth Bk of Aus Australia (Banks)	76.4	55.21	0.71%	98.7%	11.2%
Sun Hung Kai Prop Hong Kong (Real Estate Holding Development)	38.0	114.90	0.70	101.8	28.6
Woolworths Australia (Food Retailers Wholesalers)	31.5	28.12	0.68	11.9	0.8
Nissan Motor Japan (Automobiles)	33.5	738.00	0.68	133.5	-44.2
KB Fncl Group South Korea (Banks)	17.9	52,800	0.57	81.0	-36.8
Westpac Bking Australia (Banks)	71.5	26.97	0.52	64.0	4.7
Shinhan Financial Grp South Korea (Banks)	18.7	44,750	0.45	96.3	-14.9
Cheung Kong Hong Kong (Real Estate Holding Development)	29.3	98.15	0.36	75.3	4.3
POSCO South Korea (Iron Steel)	37.7	565,000	0.36	68.9	47.3
Hon Hai Precision Ind Taiwan (Electrical Components Equipment)	37.0	138.00	0.36	133.4	-0.9
Westfield Grp Australia (Retail REITs)	25.9	12.30	0.33	31.6	-42.9
Honda Motor Japan (Automobiles)	65.9	3,240	0.31	55.8	-23.9
Nintendo Japan (Toys)	38.5	27,050	0.19	0.6	-19.0
Taiwan Smcndtr Mfg Taiwan (Semiconductors)	49.8	61.30	0.16	30.7	-10.0
China Mobile (HK) Hong Kong (Mobile Telecommunications)	189.7	74.05	0.14	15.5	7.7
Aus NZ Bk Australia (Banks)	54.3	23.82	0.08	87.0	-17.3
PetroChina Hong Kong (Integrated Oil Gas)	25.0	9.18	...	73.2	4.6
Mizuho Financial Grp Japan (Banks)	29.0	185.00	...	10.8	-76.9
Samsung Elec South Korea (Semiconductors)	102.0	786,000	...	56.0	31.0
Woodside Petroleum Australia (Exploration Production)	29.5	45.22	-0.07	21.9	25.5

Company/Country (Industry)	Market value, in billions (U.S)	Latest, in local currency	STOCK PERFORMANCE Latest	52-week	Three-year
Hutchison Whampoa Hong Kong (Diversified Industrials)	31.2	56.70	-0.09%	55.8%	-22.7%
China Constr Bk Hong Kong (Banks)	179.5	6.20	-0.16	56.6	40.9
Shin-Etsu Chml Japan (Specialty Chemicals)	23.8	5,030	-0.20	24.5	-29.1
Mitsubishi Japan (Industrial Suppliers)	42.8	2,341	-0.21	109.8	-14.7
Mitsubishi UFJ Finl Japan (Banks)	71.4	461.00	-0.22	16.7	-66.8
BHP Billiton Australia (General Mining)	132.6	43.40	-0.25	48.2	56.3
CNOOC Hong Kong (Exploration Production)	72.5	12.60	-0.32	88.3	98.1
Mitsui Japan (Industrial Suppliers)	30.3	1,504	-0.33	79.1	-30.7
Indl Comm Bk China Hong Kong (Banks)	63.3	5.91	-0.34	84.1	35.6
Canon Japan (Electronic Office Equipment)	54.5	3,965	-0.38	85.7	-37.2
NTT DoCoMo Japan (Mobile Telecommunications)	64.5	138,800	-0.43	-0.9	-34.2
KDDI Japan (Mobile Telecommunications)	23.5	477,500	-0.52	2.3	-47.4
Kansai Elec Power Japan (Conventional Electricity)	22.4	2,112	-0.52	-1.8	-42.5
Tokyo Elec Power Japan (Conventional Electricity)	36.7	2,441	-0.57	-2.9	-41.5
Toyota Motor Japan (Automobiles)	122.5	3,495	-0.57	22.6	-55.1
Japan Tobacco Japan (Tobacco)	35.7	334,500	-0.59	54.5	-39.3
Takeda Pharm Japan (Pharmaceuticals)	35.3	4,020	-0.62	26.0	-48.3
Nippon T&T Japan (Fixed Line Telecommunications)	57.9	3,930	-0.63	3.7	-35.0
JFE Hldgs Japan (Iron Steel)	20.9	3,545	-0.70	75.9	-51.8
Tokio Marine Hldgs Japan (Property Casualty Insurance)	22.1	2,519	-0.75	33.6	-39.3

Sources: Dow Jones Indexes; WSJ Market Data Group

Tracking credit markets & dealmakers

— NOTICE TO READERS —
All statistics published in The Wall Street Journal Asia from markets outside the Asian-Pacific region reflect preliminary data.

WSJ.com

Follow the markets throughout the day with updated stock quotes, news and commentary at **WSJ.com/Asia**.
Also, receive email alerts that summarize the day's trading in Europe and Asia. To sign up, go to **WSJ.com/OnlineToday**

Hedge funds

Dow Jones Hedge Benchmark	TOTAL RETURN for rolling periods, net of fees* One week	One month	One quarter	Year to date	One year
Merger Arbitrage	1.18%	2.22%	0.8%	0.2%	6.5%
Event Driven	1.00	2.33	1.7	1.0	14.7
Equity Long/Short	1.44	3.37	3.7	2.3	6.1

*Estimates as of 03/05/10, after fees; Source: www.djhedgefundindexes.com

Credit derivatives

Spreads on credit derivatives are one way the market rates creditworthiness. Regions that are treading in rough waters can see spreads swing toward the maximum—and vice versa. Indexes below are for five-year swaps.

Markit iTraxx Indexes

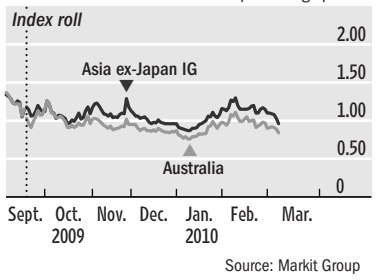
Index: series/version	Mid-spread, in pct. pts.	Mid-price	Coupon	SPREAD RANGE, in pct. pts. since most recent roll Maximum	Minimum	Average
Europe: 12/1	0.74	101.18%	0.01%	1.00	0.65	0.83
Eur. High Volatility: 12/1	1.10	99.57	0.01	1.76	0.92	1.30
Europe Crossover: 12/1	4.07	103.68	0.05	6.15	3.79	4.90
Asia ex-Japan IG: 12/1	0.96	100.20	0.01	1.34	0.87	1.08
Japan: 12/1	1.22	98.98	0.01	1.68	0.99	1.36

Note: Data as of March 8

Spreads

Spreads on five-year swaps for corporate debt; based on Markit iTraxx indexes.

In percentage points



Source: Markit Group

Credit-default swaps: Asian companies

At its most basic, the pricing of credit-default swaps measures how much a buyer has to pay to purchase-and how much a seller demands to sell-protection from default on an issuer's debt. The snapshot below gives a sense which way the market was moving yesterday.

Showing the biggest improvement...

	Yesterday	CHANGE, in basis points Yesterday	Five-day	28-day
Socialist Rep Vietnam	240	**-20**	-28	-26
Taisei	313	**-18**	-37	-50
Elpida Memory	574	**-16**	-26	-27
Nishimatsu Constr	545	**-15**	-37	-21
Takashimaya	113	**-15**	-18	8
Kookmin Bk	105	**-14**	-22	-31
Aeon	157	**-13**	-22	-23
Kawasaki Kisen Kaisha	205	**-13**	-29	-45
Nomura Hldgs	189	**-12**	-25	-13
Shin Han Bk	106	**-11**	-22	-37

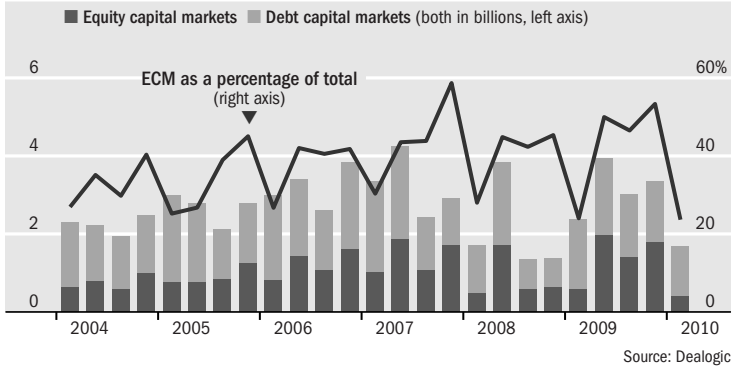
And the most deterioration

	Yesterday	CHANGE, in basis points Yesterday	Five-day	28-day
KDDI	45	**...**	-3	-5
Norinchukin Bk	76	**...**	-8	-17
Toshiba	144	**...**	-18	-21
Japan Tob	36	**1**	-5	-3
MTR	35	**1**	-2	-5
Nippon Stl	50	**1**	-9	-10
Kintetsu	107	**1**	...	7
Sanyo Elec	52	**1**	-5	-8
Olympus	70	**2**	-12	-5
Teijin	48	**6**	-11	-4

Source: Markit Group

Europe: Bank revenues from equity capital markets

Behind every IPO, follow-on or convertible equity offering is one or more investment banks. At right, investment banks historical and year-to-date revenues from global equity-capital-market (ECM) deals



Source: Dealogic

GLOBAL MARKETS LINEUP

Commodities

Prices of futures contracts with the most open interest

EXCHANGE LEGEND: CBOT: Chicago Board of Trade; **CME:** Chicago Mercantile Exchange; **NYBOT:** New York Board of Trade; **MDEX:** Bursa Malaysia Derivatives Berhad; **LIFFE:** London International Financial Futures Exchange; **LME:** London Mercantile Exchange; **NYMEX:** New York Mercantile Exchange; **ICE:** IntercontinentalExchange

Commodity	Exchange	Last price	ONE-DAY CHANGE Net	ONE-DAY CHANGE Percentage	Contract high	Contract low
Corn (cents/bu.)	CBOT	370.25	-4.75	-1.27%	714.00	325.00
Soybeans (cents/bu.)	CBOT	938.50	-9.50	-1.00	1,087.50	819.75
Wheat (cents/bu.)	CBOT	490.00	-5.00	-1.01	745.00	472.00
Live cattle (cents/lb.)	CME	94.200	1.250	1.34%	95.175	85.050
Cocoa ($/ton)	ICE-US	2,789	-45	-1.59	3,514	2,066
Coffee (cents/lb.)	ICE-US	131.65	0.55	0.42	190.40	118.30
Sugar (cents/lb.)	ICE-US	20.62	-0.95	-4.40	29.00	11.90
Cotton (cents/lb.)	ICE-US	81.47	-0.57	-0.69	94.00	51.38
Crude palm oil (ringgit/ton)	MDEX	2,650.00	-59	-2.18	3,600	1,486
Cocoa (pounds/ton)	LIFFE	2,145	-18	-0.83	2,356	1,475
Robusta coffee ($/ton)	LIFFE	1,237	15	1.23	1,605	1,214
Copper (cents/lb.)	COMEX	339.00	-2.05	-0.60	355.00	140.00
Gold ($/troy oz.)	COMEX	1117.70	-5.90	-0.53	1,229.00	785.10
Silver (cents/troy oz.)	COMEX	1718.00	-9.20	-0.53	1,949.50	916.00
Aluminum ($/ton)	LME	2,227.50	-26.00	-1.15	2,356.50	1,314.00
Tin ($/ton)	LME	17,300.00	-300.00	-1.70	18,250.00	9,945.00
Copper ($/ton)	LME	7,430.00	-150.00	-1.98	7,695.00	3,525.00
Lead ($/ton)	LME	2,227.00	-43.00	-1.89	2,615.00	1,236.00
Zinc ($/ton)	LME	2,344.00	-35.50	-1.49	2,659.00	1,214.00
Nickel ($/ton)	LME	21,995	-650	-2.87	22,950	9,475
Crude oil ($/bbl.)	NYMEX	81.04	-0.83	-1.01	116.70	51.00
Heating oil ($/gal.)	NYMEX	2.0866	-0.0189	-0.90	3.4750	1.3939
RBOB gasoline ($/gal.)	NYMEX	2.2512	-0.0380	-1.66	2.2972	1.4475
Natural gas ($/mmBtu)	NYMEX	4.525	-0.002	-0.04	10.800	4.458
Brent crude ($/bbl.)	ICE-EU	80.00	-0.67	-0.83	109.11	57.30
Gas oil ($/ton)	ICE-EU	653.00	...	unch.	691.50	512.75

Source: Thomson Reuters; WSJ Market Data Group

WSJ.com

Follow the markets throughout the day with updated stock quotes, news and commentary at **WSJ.com**
Also, receive email alerts that summarize the day's trading in Europe and Asia. To sign up, go to **WSJ.com/Email**

Currencies

London close on March 9

AMERICAS	Per euro	In euros	Per U.S. dollar	In U.S. dollars
Argentina peso-a	5.2438	0.1907	3.8613	0.2590
Brazil real	2.4346	0.4107	1.7928	0.5578
Canada dollar	1.3938	0.7174	1.0264	0.9743
1-mo. forward	1.3939	0.7174	1.0264	0.9743
3-mos. forward	1.3939	0.7174	1.0264	0.9743
6-mos. forward	1.3945	0.7171	1.0269	0.9738
Chile peso	695.66	0.001437	512.25	0.001952
Colombia peso	2571.81	0.0003888	1893.75	0.0005281
Ecuador US dollar-f	1.3581	0.7363	1	1
Mexico peso-a	17.1990	0.0581	12.6645	0.0790
Peru sol	3.8596	0.2591	2.8420	0.3519
Uruguay peso-e	26.754	0.0374	19.700	0.0508
U.S. dollar	1.3581	0.7363	1	1
Venezuela bolivar	5.83	0.171457	4.29	0.232848
ASIA-PACIFIC				
Australia dollar	1.4882	0.6720	1.0958	0.9126
China yuan	9.2705	0.1079	6.8264	0.1465
Hong Kong dollar	10.5380	0.0949	7.7597	0.1289
India rupee	61.9610	0.0161	45.6250	0.0219
Indonesia rupiah	12487	0.0000801	9195	0.0001088
Japan yen	121.91	0.008203	89.77	0.011140
1-mo. forward	121.89	0.008204	89.76	0.011141
3-mos. forward	121.85	0.008207	89.73	0.011145
6-mos. forward	121.76	0.008213	89.66	0.011154
Malaysia ringgit-c	4.5379	0.2204	3.3415	0.2993
New Zealand dollar	1.9384	0.5159	1.4273	0.7006
Pakistan rupee	114.891	0.0087	84.600	0.0118
Philippines peso	62.124	0.0161	45.745	0.0219
Singapore dollar	1.8996	0.5264	1.3988	0.7149
South Korea won	1541.60	0.0006487	1135.16	0.0008809
Taiwan dollar	43.247	0.02312	31.845	0.03140
Thailand baht	44.442	0.02250	32.725	0.03056

EUROPE	Per euro	In euros	Per U.S. dollar	In U.S. dollars
Euro zone euro	1	1	0.7363	1.3581
1-mo. forward	1.0000	1.0000	0.7364	1.3580
3-mos. forward	1.0001	0.9999	0.7364	1.3579
6-mos. forward	1.0004	0.9996	0.7366	1.3575
Czech Rep. koruna-b	25.602	0.0391	18.852	0.0530
Denmark krone	7.4403	0.1344	5.4787	0.1825
Hungary forint	267.03	0.003745	196.63	0.005086
Norway krone	8.0356	0.1244	5.9170	0.1690
Poland zloty	3.8704	0.2584	2.8500	0.3509
Russia ruble-d	40.424	0.02474	29.766	0.03360
Sweden krona	9.7248	0.1028	7.1609	0.1396
Switzerland franc	1.4623	0.6839	1.0768	0.9287
1-mo. forward	1.4619	0.6840	1.0765	0.9289
3-mos. forward	1.4613	0.6843	1.0760	0.9293
6-mos. forward	1.4603	0.6848	1.0753	0.9300
Turkey lira	2.0866	0.4792	1.5365	0.6508
U.K. pound	0.9064	1.1033	0.6674	1.4983
1-mo. forward	0.9066	1.1030	0.6676	1.4980
3-mos. forward	0.9069	1.1026	0.6678	1.4974
6-mos. forward	0.9074	1.1020	0.6682	1.4966
MIDDLE EAST/AFRICA				
Bahrain dinar	0.5120	1.9533	0.3770	2.6526
Egypt pound-a	7.4401	0.1344	5.4785	0.1825
Israel shekel	5.1063	0.1958	3.7600	0.2660
Jordan dinar	0.9612	1.0404	0.7078	1.4129
Kuwait dinar	0.3919	2.5516	0.2886	3.4652
Lebanon pound	2047.26	0.0004885	1507.50	0.0006634
Saudi Arabia riyal	5.0929	0.1964	3.7502	0.2667
South Africa rand	10.0421	0.0996	7.3945	0.1352
United Arab dirham	4.9881	0.2005	3.6730	0.2723
SDR -f	0.8888	1.1251	0.6545	1.5280

a-floating rate b-commercial rate c-government rate c-commercial rate d-Russian Central Bank rate f-Special Drawing Rights from the International Monetary Fund ; based on exchange rates for U.S., British and Japanese currencies.
Note: Based on trading among banks in amounts of $1 million and more, as quoted by Thomson Reuters.

Major stock market indexes

Stock indexes from around the world, grouped by region. Shown in local-currency terms.

Price-to-earnings ratio*	Region/Country	Index	PREVIOUS SESSION Close	PREVIOUS SESSION Net change	PREVIOUS SESSION Percentage change	PERFORMANCE Yr.-to-date	PERFORMANCE 52-wk.
28	**ASIA-PACIFIC**	DJ Asia-Pacific	125.47	0.15	0.12%	2.0%	68.8%
...	Australia	SPX/ASX 200	4820.10	12.24	0.25	-1.0	51.4
...	China	CBN 600	27475.45	137.11	0.50	-5.4	49.4
18	Hong Kong	Hang Seng	21207.55	10.68	0.05	-3.0	81.4
19	India	Sensex	17052.54	-50.06	-0.29%	-2.4	109.0
16	Indonesia	Jakarta Composite	2657.167	30.716	1.17	4.8	104.4
...	Japan	Nikkei Stock Average	10567.65	-18.27	-0.17	0.2	49.8
...		Topix	924.38	-2.93	-0.32	1.8	31.4
...	Malaysia	Kuala Lumpur Composite	1317.94	-6.28	-0.47	3.5	54.1
14	New Zealand	NZSX-50	3213.207	-9.608	-0.30	-0.5	30.5
8	Pakistan	KSE 100	9787.03	46.84	0.48	4.3	72.9
14	Philippines	Manila Composite	3107.35	12.37	0.40	1.8	65.9
...	Singapore	Straits Times	2839.54	4.97	0.18	-2.0	91.1
11	South Korea	Kospi	1660.83	0.79	0.05	-1.3	52.1
20	Taiwan	Weighted	7770.59	8.32	0.11	-5.1	66.4
10	Thailand	SET	718.77	-1.52	-0.21	-2.1	72.2
57	**EUROPE**	Stoxx Europe 600	256.80	-0.07	-0.03	1.4	54.9
23		Stoxx Europe 50	2577.44	2.37	0.09	-0.1	51.6
70	**Euro Zone**	Euro Stoxx	271.04	0.04	0.01%	-1.4%	51.9%
21		Euro Stoxx 50	2881.20	1.91	0.07	-2.9	50.3
20	Denmark	OMX Copenhagen	346.79	-1.74	-0.50%	9.8	73.1
21	Finland	OMX Helsinki	7022.27	12.17	0.17	8.8	60.7
17	France	CAC-40	3910.01	6.47	0.17	-0.7	46.8
17	Germany	DAX	5885.89	9.98	0.17	-1.2	51.4
14	Italy	FTSE MIB	22355.80	-42.41	-0.19	-3.8	65.6
...	Netherlands	AEX	339.09	0.92	0.27	1.1	61.1
...	Russia	RTSI	1502.70	-5.51	-0.37	5.3	136.7
11	Spain	IBEX 35	11002.8	-75.5	-0.68	-7.8	53.8
16	Switzerland	SMI	6868.32	17.12	0.25	4.9	52.2
...	Turkey	ISE National 100	52959.96	-336.58	-0.63	0.3	127.1
14	U.K.	FTSE 100	5602.30	-4.42	-0.08	3.5	50.8
18	**AMERICAS**	DJ Americas	303.81	-0.01	unch.	2.5	67.2
...	Brazil	Bovespa	69413.41	837.94	1.22	1.2	79.2
...	Argentina	Merval	2306.87	-1.54	-0.07	-0.6	130.2
19	Mexico	IPC	32552.77	32.50	0.10	1.3	85.2

*P/E ratios use trailing 12-months, as-reported earnings
European and Americas index data are as of 12:00 p.m. ET.

Sources: Thomson Reuters; WSJ Market Data Group

Thomson Reuters is the primary data provider for several statistical tables in The Wall Street Journal, including foreign stock quotations, futures and futures options prices, and foreign exchange tables. Reuters real-time data feeds are used to calculate various Dow Jones Indexes.

Dow Jones Indexes

Dividend yield*	Price-to-earnings ratio*	Dows Jones Index	Last	Net change	PERFORMANCE Daily	PERFORMANCE Year-to-date	PERFORMANCE 52-wk.	PERFORMANCE Three-yr., annualized
2.19%	19	**Global TSM**	2335.75	-4.69	-0.20%	0.8%	68.4%	-6.3%
1.92	19	**Global DOW**	1964.32	-3.79	-0.19	-1.0	63.5	-3.2
2.43	15	**Global Titans 50**	169.64	-0.44	-0.26	-2.3	49.2	-8.8
2.18	25	**Asia/Pacific TSM**	1240.37	1.46	0.12	2.0	74.1	-4.5
2.42	15	**Asia/Pacific ex-Japan TSM**	3062.71	-0.27	-0.01	-0.4	103.9	2.2
2.78	14	**Europe TSM**	2565.21	-20.98	-0.81	-4.2	65.9	-10.3
1.86	14	**Emerging Markets TSM**	4072.79	-9.08	-0.22	0.4	104.3	3.0
2.45	33	**Asian Titans 50**	137.25	0.41	0.30	2.2	69.4	-6.4
6.37	6	**BRIC 50**	583.37	-1.76	-0.30	-2.4	99.2	7.8
0.86	27	**CBN China 600** -c	27475.45	137.11	0.50	-5.4	49.4	10.0
2.35	18	**China Offshore 50**	3959.02	3.93	0.10	-2.9	71.1	8.8
0.89	30	**Shanghai** -c	370.44	1.69	0.46	-4.4	50.2	10.2

Dividend yield*	Price-to-earnings ratio*	Dows Jones Index	Last	Net change	PERFORMANCE Daily	PERFORMANCE Year-to-date	PERFORMANCE 52-wk.	PERFORMANCE Three-yr., annualized
0.56%	46	**Shenzhen** -c	407.54	1.59	0.39%	-2.2%	67.7%	16.3%
1.84	22	**U.S. TSM**	11729.31	0.57	0.00	3.0	62.0	-6.1
4.83	14	**Global Select Div** -d	195.42	-0.81	-0.41	-3.2	101.0	-9.7
5.34	14	**Asia/Pacific Select Div** -d	268.38	0.14	0.05	-0.1	126.3	-9.3
3.70	14	**Hong Kong Select Div** -d	191.52	-0.28	-0.14	2.2	69.2	2.1
4.23	15	**U.S. Select Dividend** -d	323.96	-0.17	-0.05	2.6	63.1	-13.2
1.80	15	**Islamic Market**	1984.74	-2.61	-0.13	0.5	58.9	-1.4
2.00	15	**Islamic Market 100**	2102.52	-1.59	-0.08	-0.9	45.4	-2.0
2.60	17	**Islamic China/HK Titans 30**	1503.77	-8.82	-0.58	1.2	70.2	4.0
1.55	12	**Sustainability Korea**	1219.35	1.80	0.15	1.2	107.4	1.6
3.40	17	**Brookfield Infrastructure**	2021.21	-7.94	-0.39	-0.3	58.5	-3.6
		DJ-UBS Commodity -p	134.52	-0.16	-0.12	-3.4	28.3	-7.4

*Fundamentals are based on data in U.S. dollar. Footnotes: c-in local currency. d-dividends reinvested. p-previous day. Note: All data as of 11:30 a.m. ET.

Source: Dow Jones Indexes

Cross rates

U.S.-dollar and euro foreign-exchange rates in global trading

	US$	A$	£	C$	YUAN	EURO	HK$	RUPEE	RUPIAH	YEN	NZ$	WON	RINGGIT	PH. PESO	S$	S FRANC	TW$	BAHT
U.S.		1.096	0.667	1.026	6.826	0.736	7.760	45.625	9194.56	89.770	1.427	1135.15	3.341	45.745	1.399	1.077	31.845	32.725
Australia	0.913		0.609	0.937	6.229	0.672	7.081	41.635	8390.49	81.920	1.303	1035.88	3.049	41.745	1.276	0.983	29.060	29.863
Britain	1.498	1.642		1.538	10.228	1.103	11.626	68.360	13776.20	134.502	2.139	1700.80	5.007	68.540	2.096	1.613	47.713	49.032
Canada	0.974	1.068	0.650		6.651	0.717	7.560	44.454	8958.50	87.465	1.391	1106.01	3.256	44.571	1.363	1.049	31.027	31.885
China	0.1465	0.161	0.098	0.150		0.108	1.137	6.684	1346.92	13.151	0.209	166.29	0.490	6.701	0.205	0.158	4.665	4.794
Euro	1.358	1.488	0.906	1.394	9.271		10.538	61.961	12486.67	121.912	1.938	1541.59	4.538	62.124	1.900	1.462	43.247	44.442
Hong Kong	0.129	0.141	0.086	0.132	0.880	0.095		5.880	1184.92	11.569	0.184	146.29	0.431	5.895	0.180	0.139	4.104	4.217
India	0.0219	0.0240	0.0146	0.0225	0.1496	0.0161	0.1701		201.52	1.9676	0.0313	24.88	0.0732	1.0026	0.0307	0.0236	0.6980	0.7173
Indonesia	0.0001	0.0001	0.0001	0.0001	0.0007	0.0001	0.0008	0.0050		0.0098	0.0002	0.12	0.0004	0.0050	0.0002	0.0001	0.0035	0.0036
Japan	0.011	0.012	0.007	0.011	0.076	0.008	0.086	0.508	102.42		0.016	12.65	0.037	0.510	0.016	0.012	0.355	0.365
New Zealand	0.701	0.768	0.468	0.719	4.783	0.516	5.436	31.965	6441.71	62.893		795.29	2.341	32.049	0.980	0.754	22.311	22.927
South Korea	0.0009	0.0010	0.0006	0.0009	0.0060	0.0006	0.0068	0.0402	8.10	0.0791	0.0013		0.0029	0.0403	0.0012	0.0009	0.0281	0.0288
Malaysia	0.299	0.328	0.200	0.307	2.043	0.220	2.322	13.654	2751.63	26.865	0.427	339.71		13.690	0.419	0.322	9.530	9.794
Philippines	0.022	0.024	0.015	0.022	0.149	0.016	0.170	0.997	201.00	1.962	0.031	24.81	0.073		0.031	0.024	0.696	0.715
Singapore	0.715	0.783	0.477	0.734	4.880	0.526	5.547	32.617	6573.17	64.176	1.020	811.52	2.389	32.703		0.770	22.766	23.395
Switzerland	0.929	1.018	0.620	0.953	6.340	0.684	7.207	42.373	8539.18	83.371	1.326	1054.24	3.103	42.484	1.299		29.575	30.392
Taiwan	0.031	0.034	0.021	0.032	0.214	0.023	0.244	1.433	288.73	2.819	0.045	35.65	0.105	1.436	0.044	0.034		1.028
Thailand	0.031	0.033	0.020	0.031	0.209	0.023	0.237	1.394	280.96	2.743	0.044	34.69	0.102	1.398	0.043	0.033	0.973	

Source: Thomson Reuters via WSJ Market Data Group

MSCI indexes

Developed and emerging-market regional and country indexes from MSCI Barra as of March. 09, 2010

Dividend yield	Price-to-earnings ratio	Morgan Stanley Index	Last	LOCAL-CURRENCY PERFORMANCE Daily	YTD	52-wk.
2.40%	23	**ALL COUNTRY (AC) WORLD***	300.69	-0.46%	**0.4%**	60.7%
2.50	24	**World (Developed Markets)**	1,174.70	-0.36	**0.5**	56.4
1.80	83	**World Small Cap**	198.84	-0.34	**4.6**	79.4
2.50	21	**Kokusai (World ex-Japan)**	1,160.05	-0.16	**0.0**	59.3
3.00	23	**EAFE**	1,557.44	-0.80	**-1.5**	56.1
2.20	20	**Emerging Markets (EM)**	986.08	-1.13	**-0.3**	97.5
2.50	23	**AC ASIA PACIFIC EX-JAPAN**	414.16	-1.63	**-0.6**	93.3
2.20	22	**AC Far East ex-Japan**	443.87	-1.98	**-1.4**	84.5
1.70	145	**Japan**	580.55	1.97	**2.1**	24.3
2.00	19	**China**	63.21	2.13	**-2.5**	74.4
0.90	37	**China A (China Domestic)**	3,150.98	0.82	**-6.8**	54.5
2.60	23	**Hong Kong**	10,260.00	1.97	**0.8**	63.6
0.90	20	**India**	700.79	0.61	**-0.9**	106.2
1.30	16	**Korea**	470.67	1.67	**-2.1**	61.5
2.30	20	**Malaysia**	483.88	1.75	**3.0**	46.0
3.10	17	**Singapore**	1,572.42	1.28	**-3.2**	75.5
2.70	234	**Taiwan**	279.29	1.45	**-5.6**	61.8
3.30	18	**Thailand**	297.36	-0.31	**-1.4**	69.0
3.60	25	**Australia**	995.78	0.81	**-0.5**	44.3
5.00	16	**New Zealand**	84.44	0.18	**-3.2**	15.6
1.90	28	**US BROAD MARKET**	1,272.71	-0.03	**2.9**	58.5
3.40	16	**EUROPE**	89.20	-0.07	**1.0**	47.6

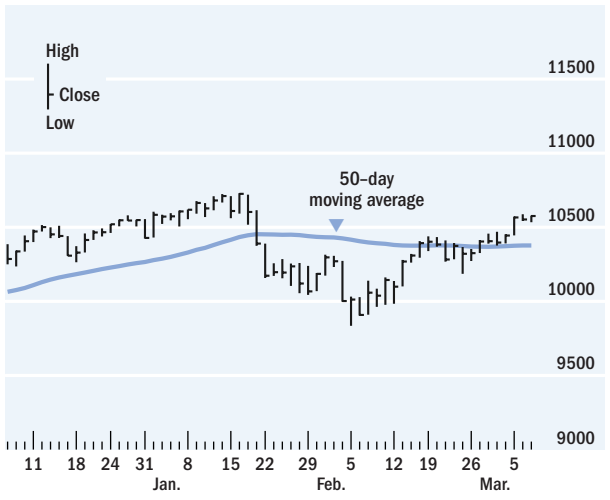
*Twenty-three developed and 26 emerging markets

Source: MSCI Barra

SCANNING THE GLOBE

Dow Jones Industrial Average P/E: 16

LAST: **10575.87** ▲ 23.35, or 0.22%
YEAR TO DATE: ▲ **147.82, or 1.4%**
OVER 52 WEEKS ▲ **3,649.38, or 52.7%**



Nasdaq Composite Index P/E: 19*

LAST: **2344.44** ▲ 12.23, or 0.52%
YEAR TO DATE: ▲ **75.29, or 3.3%**
OVER 52 WEEKS ▲ **986.16, or 72.6%**

S&P 500 Index P/E: 22

LAST: **1141.15** ▲ 2.65, or 0.23%
YEAR TO DATE: ▲ **26.05, or 2.3%**
OVER 52 WEEKS ▲ **421.55, or 58.6%**

*Price-to-earnings ratio for the Nasdaq 100 Note: Price-to-earnings ratios are for trailing 12 months

Sources: WSJ Market Data Group; Birinyi Associates

DJIA component stocks

Stock	Symbol	Volume, in millions	Latest	CHANGE Points	CHANGE Percentage
AT&T	T	**16.40**	$25.67	0.39	**1.54%**
Alcoa	AA	**12.50**	13.70	-0.08	**-0.59**
AmExpress	AXP	**2.70**	39.86	0.15	**0.38**
BankAm	BAC	**75.60**	16.88	0.14	**0.84**
Boeing	BA	**2.70**	67.88	0.64	**0.95**
Caterpillar	CAT	**2.10**	59.40	0.49	**0.83**
Chevron	CVX	**3.10**	74.70	0.06	**0.08**
CiscoSys	CSCO	**92.30**	26.00	-0.13	**-0.50**
CocaCola	KO	**4.90**	54.11	-0.35	**-0.65**
Disney	DIS	**3.50**	33.07	-0.12	**-0.36**
DuPont	DD	**3.00**	35.51	0.14	**0.40**
ExxonMobil	XOM	**7.70**	66.78	0.30	**0.44**
GenElec	GE	**27.00**	16.46	0.19	**1.18**
HewlettPk	HPQ	**3.40**	51.99	0.26	**0.50**
HomeDpt	HD	**5.20**	31.78	0.06	**0.18**
Intel	INTC	**26.40**	20.90	0.13	**0.63**
IBM	IBM	**4.00**	125.76	-0.65	**-0.51**
JPMorgChas	JPM	**15.30**	42.54	-0.05	**-0.12**
JohnsJohns	JNJ	**3.80**	64.27	0.07	**0.11**
KftFoods	KFT	**5.00**	29.41	0.24	**0.82**
McDonalds	MCD	**2.70**	65.32	0.20	**0.31**
Merck	MRK	**5.90**	36.94	-0.41	**-1.10**
Microsoft	MSFT	**18.10**	28.92	0.28	**1.00**
Pfizer	PFE	**23.10**	17.18	-0.17	**-0.98**
ProctGamb	PG	**2.50**	63.43	0.24	**0.38**
3M	MMM	**1.60**	81.51	0.20	**0.25**
TravelersCos	TRV	**2.20**	54.10	0.30	**0.56**
UnitedTech	UTX	**2.40**	72.05	1.29	**1.82**
Verizon	VZ	**8.70**	29.93	0.30	**1.01**
WalMart	WMT	**4.60**	54.35	0.20	**0.37**

U.S. stocks: most active...

Stock	Symbol	Volume, in millions	Latest	CHANGE Points	CHANGE Percentage
Citigroup	C	**420.8**	$3.78	$0.22	**6.18%**
CiscoSys	CSCO	**95.3**	25.99	–0.14	**–0.54**
SiriusXM	SIRI	**89.5**	0.89	–0.01	**–1.60**
BankAm	BAC	**76.4**	16.88	0.14	**0.84**
SPDR S&P 500	SPY	**58.7**	114.66	0.39	**0.34**
SprintNextel	S	**57.7**	3.62	0.22	**6.47**
PwrShrs QQQ	QQQQ	**38.5**	46.88	0.35	**0.76**
SPDR FnclSelSct	XLF	**34.3**	15.33	0.08	**0.52**
FordMotor	F	**34.3**	12.95	0.02	**0.15**
YRC Worldwide	YRCW	**33.8**	0.50	0.01	**2.80**
GenElec	GE	**27.8**	16.46	0.19	**1.17**
DrxFinancBear 3x	FAZ	**26.8**	15.40	–0.26	**–1.66**
Intel	INTC	**26.4**	20.90	0.13	**0.63**
AT&T	T	**25.4**	25.67	0.39	**1.55**
Pfizer	PFE	**23.2**	17.18	–0.17	**–0.98**

Biggest gainers...

EDAP TMS ADS	EDAP	**2,393.8**	$3.50	$0.99	**39.17%**
CostPlus	CPWM	**244.8**	2.75	0.68	**32.85**
ChinaAir ADS	ZNH	**83.5**	20.60	2.84	**15.99**
Netlist	NLST	**5,901.3**	4.82	0.61	**14.54**
Cerus	CERS	**1,324.7**	2.67	0.31	**13.09**

...Biggest losers

Zygo	ZIGO	**692.9**	$8.50	-$1.56	**-15.51%**
NewConceptEngy	GBR	**4.6**	4.54	-0.76	**-14.34**
ModusLink	MLNK	**399.0**	9.61	-1.31	**-12.00**
Celsion	CLSN	**122.8**	4.14	-0.55	**-11.73**
FstFrnklin	FFHS	**6.3**	6.18	-0.82	**-11.71**

ADRs of Asian companies*

52-WEEK High	52-WEEK Low	Stock	Symbol	Volume, in OOOs	Latest	CHANGE Points	CHANGE Percentage
$11.69	$7.33	**Taiwan Semi**	TSM	**5,446.2**	$10.24	0.00	**0.05%**
6.84	3.71	**Mitsu UFJ Fnl**	MTU	**1,881.8**	5.15	-0.02	**-0.39**
82.74	35.56	**BHP Billiton**	BHP	**1,341.6**	79.04	-0.27	**-0.34**
4.24	1.74	**Utd Microelectronics**	UMC	**1,087.4**	3.60	0.03	**0.84**
91.97	56.79	**Toyota Motor**	TM	**833.4**	76.65	-1.29	**-1.66**
18.64	12.81	**SK Telecom**	SKM	**727.6**	17.70	0.27	**1.55**
59.22	40.20	**China Mobile**	CHL	**685.4**	48.14	-0.12	**-0.25**
60.00	22.63	**Infosys Tech**	INFY	**685.0**	59.72	-0.15	**-0.25**
21.78	12.11	**KT Corp**	KT	**641.1**	20.68	0.18	**0.88**
15.95	9.08	**China Unicom**	CHU	**589.8**	12.28	-0.08	**-0.65**
41.87	20.33	**Telekom Indonesia**	TLK	**573.8**	37.86	0.46	**1.23**
13.30	6.82	**AU Optrncs**	AUO	**543.9**	11.14	0.01	**0.09**
18.20	7.21	**Korea Elec Pwr**	KEP	**495.1**	17.00	0.42	**2.53**
81.00	39.93	**China Life Ins**	LFC	**443.6**	70.57	2.17	**3.17**
14.09	2.00	**City Telecom**	CTEL	**418.9**	12.38	-1.22	**-8.99**
5.23	2.00	**Adv Semi Engrg**	ASX	**367.0**	4.32	0.03	**0.70**
21.22	16.71	**ChunghwaTel**	CHT	**330.4**	18.84	-0.04	**-0.21**
8.19	4.78	**Siliconware Prec Ind**	SPIL	**280.0**	6.11	0.00	**0**
44.34	21.23	**Canon**	CAJ	**262.7**	43.93	-0.21	**-0.48**
37.19	16.76	**Sony**	SNE	**212.9**	37.17	0.42	**1.15**
17.19	10.60	**Matsushita Elec**	PC	**210.3**	14.85	0.35	**2.41**
135.92	64.30	**PetroChina**	PTR	**209.1**	119.78	0.88	**0.74**
34.27	11.62	**Aluminum Cp of China**	ACH	**166.8**	26.20	-0.17	**-0.64**
9.82	5.68	**Telecom Corp of NZ**	NZT	**140.3**	7.83	-0.05	**-0.63**
25.65	5.30	**Yanzhou Coal Mining**	YZC	**124.4**	22.27	0.21	**0.96**
9.50	4.00	**Nomura Hldgs**	NMR	**97.0**	7.40	0.01	**0.14**
20.79	7.06	**China Southern Air**	ZNH	**83.5**	20.60	2.84	**15.99**
37.23	20.72	**Honda Motor**	HMC	**77.8**	35.98	0.01	**0.03**
150.50	51.03	**POSCO**	PKX	**76.2**	124.72	0.39	**0.31**
7.74	2.00	**Alumina**	AWC	**60.7**	6.13	-0.07	**-1.13**

*Most active American depositary receipts tracked by Dow Jones

Source: WSJ Market Data Group

Global government bonds

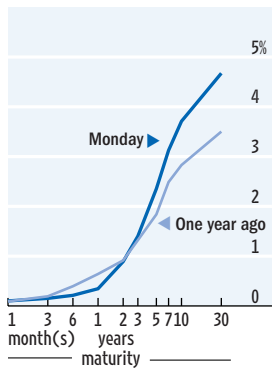
Latest, month-ago and year-ago yields and spreads over or under U.S. Treasurys on benchmark two-year and 10-year government bonds around the world. Data as of 11 a.m. ET

Coupon	Country/ Maturity, in years	Yield	SPREAD OVER TREASURYS, in basis points Latest	Previous	Month ago	Year ago	YIELD Previous	Month ago	Year ago
5.750%	**Australia** 2	**4.738%**	**386.7**	383.3	366.2	**175.7**	**4.740%**	4.435%	**2.719%**
4.500	10	**5.555**	**186.0**	185.0	188.5	**145.1**	**5.570**	5.459	**4.315**
5.000	**Austria** 2	**1.286**	**41.5**	42.8	82.0	**32.4**	**1.335**	1.593	**1.286**
3.900	10	**3.533**	**-16.2**	-11.2	10.7	**131.1**	**3.608**	3.681	**4.175**
2.000	**Belgium** 2	**1.132**	**26.1**	22.0	73.1	**28.1**	**1.127**	1.504	**1.243**
3.750	10	**3.647**	**-4.8**	-3.4	15.1	**115.5**	**3.686**	3.725	**4.019**
1.500	**Canada** 2	**1.505**	**63.4**	62.9	33.1	**-1.0**	**1.536**	1.104	**0.952**
3.750	10	**3.494**	**-20.1**	-22.6	-21.5	**7.1**	**3.494**	3.359	**2.935**
4.000	**Denmark** 2	**1.684**	**81.3**	76.7	101.2	**114.1**	**1.674**	1.785	**2.103**
4.000	10	**3.415**	**-28.0**	-25.5	-10.0	**47.7**	**3.465**	3.474	**3.341**
3.750	**France** 2	**0.948**	**7.7**	6.1	34.8	**56.8**	**0.968**	1.121	**1.530**
3.500	10	**3.423**	**-27.2**	-26.1	-15.0	**75.2**	**3.459**	3.424	**3.616**
1.250	**Germany** 2	**0.867**	**-0.4**	-1.7	21.8	**28.6**	**0.890**	0.991	**1.248**
3.250	10	**3.118**	**-57.7**	-55.2	-45.5	**6.6**	**3.168**	3.119	**2.930**
0.640	**Hong Kong** 2	**0.782**	**-8.9**	-11.9	-19.2	**-9.9**	**0.788**	0.581	**0.863**
2.160	10	**2.799**	**-89.6**	-80.6	-65.0	**-88.1**	**2.914**	2.924	**1.983**
5.000	**Italy** 2	**1.398**	**52.7**	46.0	109.6	**116.2**	**1.367**	1.869	**2.124**
4.250	10	**3.912**	**21.7**	23.7	48.5	**158.8**	**3.957**	4.059	**4.452**
0.200	**Japan** 2	**0.150**	**-72.1**	-75.7	-61.3	**-56.2**	**0.150**	0.160	**0.400**
1.400	10	**1.310**	**-238.5**	-239.8	-221.0	**-157.0**	**1.322**	1.364	**1.294**
2.500	**Netherlands** 2	**0.937**	**6.6**	1.7	32.5	**71.8**	**0.924**	1.098	**1.680**
3.500	10	**3.376**	**-31.9**	-28.8	-12.0	**91.2**	**3.432**	3.454	**3.776**
5.000	**Portugal** 2	**1.764**	**89.3**	88.2	168.8	**147.8**	**1.789**	2.461	**2.440**
4.800	10	**4.296**	**60.1**	57.2	120.1	**187.5**	**4.292**	4.775	**4.739**
5.350	**Spain** 2	**1.231**	**36.0**	30.9	111.9	**101.0**	**1.216**	1.892	**1.972**
4.000	10	**3.831**	**13.6**	14.2	57.0	**116.3**	**3.862**	4.144	**4.027**
2.750	**Switzerland** 2	**0.439**	**-43.2**	-48.7	-20.8	**-49.6**	**0.420**	0.565	**0.466**
2.250	10	**1.857**	**-183.8**	-182.6	-161.5	**-69.4**	**1.894**	1.959	**2.170**
3.250	**U.K.** 2	**1.028**	**15.7**	20.5	36.9	**37.8**	**1.112**	1.142	**1.340**
3.750	10	**4.038**	**34.3**	37.6	30.8	**26.5**	**4.096**	3.882	**3.129**
0.875	**U.S.** 2	**0.871**	**...**	...	...	**...**	**0.907**	0.773	**0.962**
3.625	10	**3.695**	**...**	...	...	**...**	**3.720**	3.574	**2.864**

Source: Thomson Reuters

U.S. Treasury yield curve

The curve shows the yield to maturity of current bills, notes and bonds; all data as of 3 p.m. ET.



Ryan Index	Yield to maturity	Modified duration	TOTAL RETURN Month to-date	Quarter to-date	Year to-date	12-month
30-year Treasury	**4.674%**	16.02	–2.16%	0.17%	0.17%	–14.27%
10-year Treasury	**3.710**	8.26	–0.87	1.77	1.77	–3.65
7 Year Treasury	**3.125**	6.24	–0.48	2.49	2.49	1.09
Five-year Treasury	**2.355**	4.67	–0.28	2.10	2.10	1.64
Ryan Index	**2.693**	6.67	–0.69	1.47	1.47	–1.69
3 Year Treasury	**1.402**	2.87	–0.20	1.36	1.36	2.97
Two-year Treasury	**0.891**	1.96	–0.15	0.83	0.83	2.10
1 Year Treasury	**0.346**	0.93	–0.04	0.21	0.21	1.26
Six-month Treasury	**0.213**	0.50	...	0.04	0.04	0.57
Ryan Cash Index-a	**0.203**	0.44	–0.01	0.07	0.07	0.56
Three-month bill	**0.152**	0.25	–0.01	0.01	0.01	0.30
One-month bill	**0.101**	0.07	...	0.01	0.01	0.11

a-Performance of a cash investment

Source: Ryan ALM

Key money rates

	Latest	52 wks ago
Prime rates		
U.S.	**3.25%**	3.25%
Canada	**2.25**	2.50
Japan	**1.475**	1.475
Britain	**0.50**	0.50
ECB	**1.00**	1.50
Switzerland	**0.53**	0.52
Australia	**4.00**	3.25
Hong Kong	**5.25**	n.a.
Libor		
One month	**0.23000%**	0.56438%
Three month	**0.25550**	1.33125
Six month	**0.39438**	1.96188
One year	**0.85875**	2.29750

	Latest	52 wks ago
Euro Libor		
One month	**0.37750%**	1.31188%
Three month	**0.59688**	1.68563
Six month	**0.90813**	1.82813
One year	**1.19750**	1.95125
Hibor		
One month	**0.08000**	0.37000%
Three month	**0.13000**	0.97286
Six month	**0.24000**	1.30643
One year	**0.53000**	1.76929
Asian dollars		
One month	**0.2370%**	0.57%
Three month	**0.2580**	1.3080
Six month	**0.3950**	1.9080
One year	**0.8630**	2.2500

	Offer	Bid
Eurodollars		
One month	**0.3500%**	0.2000%
Three month	**0.3700**	0.2300
Six month	**0.5500**	0.3500
One year	**0.9500**	0.6500

	Latest	52 wks ago
U.S. discount	**0.75%**	0.50%
Fed-funds target	**0.25**	0.25
Call money	**2.00**	2.00
Overnight repurchase rates		
U.S.	**0.19%**	0.28%
U.K. (BBA)	**0.520**	0.808
Euro zone	**0.30**	0.89

Sources: WSJ Market Data Group; Reuters

MARKETS LINEUP

Moving the markets

At right, Japan's benchmark stock index and the biggest movers among the larger Asian stocks indexes and stocks Tuesday. Below each index are its most actively traded stocks. The charts show the percentage change in each index's or stock's value, rather than the point change, for purposes of comparison. The index level or stock price is indicated on each axis. All indexes and stocks are shown in local currency terms.

WSJ.com

Follow the markets throughout the day, with updated stock quotes, news and commentary at **WSJ.com.**

Also, receive emails that summarize the day's trading in Europe and Asia. To sign up, go to **WSJ.com/Email.**

Asian index movers...

Nikkei Stock Average

Japan 10567.65

▼ **0.17% or 18.27**

Steelmakers and exporters succumbed to profit-taking, while Fujitsu was hammered for a second straight day on continuing concerns over its former president's resignation.

Stock	Volume in millions	Close	Change Net	Change %
Mizuho Financial	**75.58**	185	unch	...
NEC	**58.18**	247	2	0.82
GS Yuasa	**55.81**	654	17	2.67
Fujitsu	**55.69**	546	–22	–3.87
Mtshbsh Fin Grp	**43.24**	461	–1	–0.22

CBN 600

China 27475.45

▲ **0.50% or 137.11**

Miners benefited from strong earnings prospects as this year's cold winter likely boosted demand for coal. Shanxi Xishan Coal & Electricity Power advanced 3.2%.

Stock	Volume in millions	Close	Change Net	Change %
ChinaSouthernAir	**167.09**	6.85	0.23	3.47
GemdaleCorp	**160.02**	13.77	0.89	6.91
ChinaVankeCoA	**136.67**	9.62	0.23	2.45
China State Con	**126.32**	4.33	0.05	1.17
Icbc	**122.52**	4.91	0.05	1.03

Sensex

India 17052.54

▼ **0.29% or 50.06**

Tata Motors slipped 3.2% in heavy trading after German car maker Daimler sold its entire stake in the company. Aluminum maker Hindalco Industries slid 2.6%.

Stock	Volume in millions	Close	Change Net	Change %
Tata Motors-A	**43.81**	770.90	–25.85	–3.24
Jaiprak Asso-A	**1.86**	143.15	–5.10	–3.44
Dlf-A	**1.67**	311.75	–5.40	–1.70
Hindalco-A	**1.32**	162.05	–4.25	–2.56
Tata Consult-A	**0.93**	769.95	8.50	1.12

ASX 200

Australia 4820.10

▲ **0.25% or 12.24**

National Australia Bank rose 2.1% amid continuing speculation about the outcome of a regulatory review of its bid for AXA Asia Pacific Holdings due March 17.

Stock	Volume in millions	Close	Change Net	Change %
Boart Longyear	**87.69**	0.32	unch	...
Arrow Energy	**68.33**	5.02	–0.09	–1.76
Telstra	**50.95**	2.91	unch	...
Goodman Grp-Stpl	**38.59**	0.63	0.01	1.63
GPT Group	**32.37**	0.60	unch	...

Asian stocks in the news

Brambles

Australia A$7.50

▲ **4.0% or A$0.29**

A surge in job advertisements and improving business confidence data boosted shares.

Price-to-earnings ratio	**22**
Earnings per share, past four quarters	**0.34**
Dividend yield	**1.7**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Indus Gds & Svcs	**0.3%**	2.9%	87.5%
Brambles	**4.0%**	5.5%	60.9%

China Res Land

Hong Kong HK$17.22

▲ **4.4% or HK$0.72**

Concerns over the formation of an asset bubble subsided. Expectations the yuan will rise also helped

Price-to-earnings ratio	**32**
Earnings per share, past four quarters	**0.53**
Dividend yield	**0.8**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Real Estate	**0.5%**	2.1%	93.3%
China Res Land	**4.4%**	3.4%	80.9%

Sino-Ocean Land

Hong Kong HK$7.59

▲ **4.8% or HK$0.35**

The property developer signed a pact with Swire Properties to explore opportunities in China.

Price-to-earnings ratio	**20**
Earnings per share, past four quarters	**0.38**
Dividend yield	**1.4**

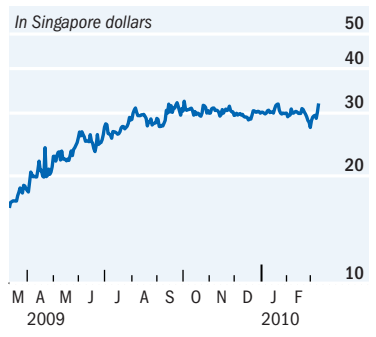
	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Real Estate	**0.5%**	2.1%	93.3%
Sino-Ocean Land	**4.8%**	4.3%	92.2%

Jardine Matheson

Singapore S$31.94

▲ **5.8% or S$1.74**

Shares extended Monday's gains, after Morgan Stanley upgraded the stock on its 2009 results.



Price-to-earnings ratio	**7**
Earnings per share, past four quarters	**4.48**
Dividend yield	**2.8**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Indus Gds & Svcs	**0.3%**	2.9%	87.5%
Jardine Matheson	**5.8%**	9.3%	96.4%

Want Want China

Hong Kong HK$5.93

▲ **11.0% or HK$0.59**

Shares ended at a record close after the snackfoods maker said 2009 profit rose 19%.

Price-to-earnings ratio	**40**
Earnings per share, past four quarters	**0.15**
Dividend yield	**2.7**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Food & Beverage	**0.5%**	2.3%	68.6%
Want Want China	**11.0%**	16.3%	75.4%

Li & Fung

Hong Kong HK$39.80

▼ **2.7% or HK$1.10**

Shares gave up the previous session's gains.

Price-to-earnings ratio	**56**
Earnings per share, past four quarters	**0.72**
Dividend yield	**1.5**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Personal & Hshld Gds	**0.5%**	3.1%	63.1%
Li & Fung	**-2.7%**	3.6%	131.9%

Energy Res Australia

Australia A$18.60

▼ **2.9% or A$0.56**

Profit-taking hit shares after Monday's surge on Arrow Energy takeover news.

Price-to-earnings ratio	**13**
Earnings per share, past four quarters	**1.43**
Dividend yield	**1.3**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Basic Resources	**-0.4%**	4.8%	114.5%
Energy Res Australia	**-2.9%**	1.1%	-1.1%

JTEKT

Japan ¥935

▼ **3.0% or ¥29**

Credit Suisse cut the stock's rating, citing flat growth prospects in sales to recall-hit Toyota.

Price-to-earnings ratio	**None**
Earnings per share, past four quarters	**-34.20**
Dividend yield	**1.4**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Automobiles & Parts	**0.2%**	3.5%	72.2%
JTEKT	**-3.0%**	-1.5%	61.5%

Fujitsu

Japan ¥546

▼ **3.9% or ¥22**

Shares continued to slide as the stock exchange investigates whether the company hid information.

Price-to-earnings ratio	**12**
Earnings per share, past four quarters	**45.90**
Dividend yield	**1.1**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Technology	**0.1%**	2.8%	92.4%
Fujitsu	**-3.9%**	-7.0%	68.5%

Omron

Japan ¥2,006

▼ **4.2% or ¥88**

The stock fell as investors locked in profits from previous session.

Price-to-earnings ratio	**160**
Earnings per share, past four quarters	**12.50**
Dividend yield	**0.7**

	PERCENTAGE CHANGE Daily	1 wk.	52 wks
Indus Gds & Svcs	**0.3%**	2.9%	87.5%
Omron	**-4.2%**	2.7%	96.5%

HEARD ON THE STREET

Email: heard@wsj.com FINANCIAL ANALYSIS & COMMENTARY WSJ.com/Heard

India's consumer lenders getting premature boost

Investors think a profit windfall lies in store for India's consumer lenders. They are overlooking a critical hurdle: the country's reserved central bank.

Indian Finance Minister Pranab Mukherjee wants more nonbanking financial companies to get banking licenses. The intention is to broaden the geographical reach of India's banking sector. Half of the country's population is still without access to a bank.

In focus are 12,740 consumer-credit companies. For them, the conversion means access to low-cost funds from deposits. Currently, only 336 are allowed to accept public deposits. The industry mostly sells costlier short-term commercial paper to raise funds.

Not surprising, then, that investors are busily betting on who will apply for a license. Shares of **Reliance Capital** and **Mahindra & Mahindra Financial Services** are up 10% since Mr. Mukherjee laid out the plan late last month. This week alone, **Future Capital Holdings** has jumped 17% amid the speculation.

These gains take for granted the central bank's approval. But the Reserve Bank of India, investors will find, isn't too enthusiastic about handing out banking licenses. Since 1999, it has granted only one. That was in 2004.

The Reserve Bank of India's lack of enthusiasm for bank licenses is evident—since 1999, it has granted one.

Primarily, the RBI is concerned about the ownership structure of privately held banks. The central bank mandates that no single entity can hold more than 10% of a bank—a steep hurdle, given that a majority of the listed nonbanking financial companies in India are owned by industrial conglomerates or have large controlling shareholders.

Plus, the biggest motive for the RBI is to encourage rural banking. A company applying for a banking license will have to make a convincing case of its commitment to service the lowest strata of the society.

For the nonbanking companies, the proposition has its own drawbacks. They enjoy less-stringent regulations. For example, they don't have to declare loans as bad debt until they are 180 days overdue, compared with 90 days for banks. To open a new branch, they only have to inform the RBI, while banks have to apply for every new branch license.

There are some good candidates for conversion. **Shriram Transport Finance**, the country's largest financier of loans for trucks and agriculture equipment, does its business in areas where most banks don't venture.

Its managing director, R. Sridhar, says he is interested in a bank license but will wait for the RBI's guidelines.

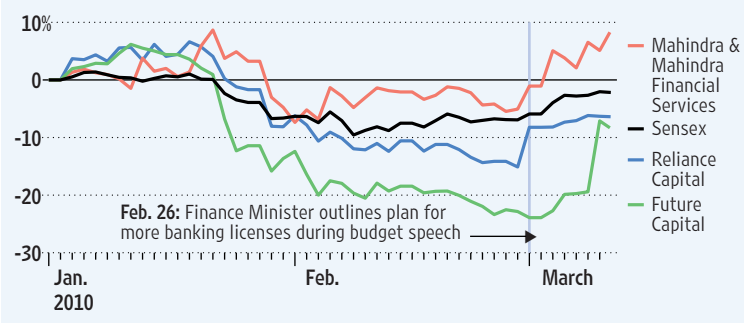
It could be a long wait.

—Harsh Joshi

Banking on licenses

Shares of India's non-bank financial companies have surged since New Delhi proposed that more be given banking licenses

Stocks vs. index, year-to-date performance:



Sources: Thomson Reuters Datastream; Reuters (photo)

Mitsui OSK Lines shows some deft captaining

How'd they manage that?

With rivals swimming in red ink, Japanese shipping company **Mitsui OSK Lines** will be posting a profit this year.

In fact, the company hasn't logged a full-year loss since 1995. This even as freight rates nosedived in 2008 in every segment that the shipper operates in—commodities, containers and cars—as world trade collapsed. Measured by deadweight tonnage and fleet size, Mitsui is the world's largest shipper.

Even its recent forecast for a $56 million profit in the year through March is defying global trends. Japanese rivals **Nippon Yusen** and **Kawasaki Kisen** are forecast to lose a combined $1.1 billion. **A.P. Moller Maersk** last week reported a loss of $1.3 billion for 2009.

This comes down to reading the market well. Mitsui's management locked in shipping rates when they skyrocketed in 2008 and was quick to control costs as demand plunged later the same year by scrapping ships and canceling charter contracts.

It means the company is well placed as shipping rates and global trade recover. The company has the strongest balance sheet of Japan's three shipping giants, Macquarie Research says, and can fund most of its forthcoming capital expenditure with cash, rather than borrowings. Unlike at some rivals, dilutive stock issuance by Mitsui is off the table.

Little of this is reflected in Mitsui's share price. At 1.2 times book value, the stock trades in line with its global peers and well below its historical valuations, according to data provider Starmine. Against forecast March 2012 earnings, Mitsui is the cheapest of Japan's big shippers.

Certainly there's reason for investors to be cautious about shipping companies. New ships ordered years ago will be hitting the market over the next several years. That could push freight rates down, though by just how much depends on how quickly older vessels are scrapped, whether China sustains its demand for raw materials, and whether companies can resist bringing idled ships back into service.

But the shipping industry has just been through the ultimate stress test. Mitsui OSK sailed through.

—James Simms

GLOBAL INFRASTRUCTURE PARTNERS
GBP 1,125,000,000
Gatwick Airport Acquisition Facilities
Joint Mandated Lead Arranger
October 2009

Incitec Pivot Limited
USD 800,000,000
6.000% Senior Notes
Due 2019
Joint Bookrunner
December 2009

REXEL ELECTRICAL SUPPLIES
EUR 575,000,000
8.250% Senior Notes
Due December 2016
Joint Global Co-ordinator and
Joint Physical Bookrunner
December 2009

TIME WARNER CABLE
USD 2,000,000,000
3.500% Senior Notes Due 2015
5.000% Senior Notes Due 2020
Joint Bookrunner
December 2009

Meeting clients' debt financing needs across the globe

Our clients know they can rely on our innovation, execution and distribution, across products, markets and geographies to help them achieve their objectives. That's why they trust us to deliver the right strategic solution for their business every time.

rbs.com/gbm

Global Banking & Markets

RBS The Royal Bank of Scotland

This advertisement is issued and published by The Royal Bank of Scotland plc which is authorised and regulated by the Financial Services Authority in the United Kingdom. Registered Office: 36 St Andrew Square, Edinburgh EH2 2YB. Registered in Scotland No. 90312. Registered in Australia: ABN 30 101 464 528. This advertisement has been prepared for information only. It should not be construed as an offer to sell or the solicitation of an offer to subscribe for a product or service. The Royal Bank of Scotland N.V. is incorporated in the Netherlands. The Royal Bank of Scotland plc and The Royal Bank of Scotland N.V. are authorised agents of each other in certain jurisdictions. RBS Securities Inc., a registered broker-dealer and member of FINRA/SIPC, is an indirect, wholly owned subsidiary of The Royal Bank of Scotland plc.

Published by Dow Jones Publishing Company (Asia). Printed in Hong Kong by Superflag Advertising and Communication Limited. 8 Chun Ying Street, NT. Printed in Indonesia by PT Gramedia Printing Group, Jalan Palmerah Selatan 22-28, Jakarta 10270. Printed in Japan by Yomiuri Shimbun, 1-7-1 Otemachi, Chiyoda-ku, Tokyo 100-8055. Printed in Korea by JoongAng Ilbo. 7, Soonwha-Dong, Chung-Ku, Seoul 100-130. 1997 June 04 Registration no: SeoulKA00020 (Daily Newspaper). Publisher/Editor/Printer: Song Pil-Ho. Printed in Malaysia by KHL Printing Co. Sdn. Bhd. (ROC No. 235060-A) Lot 10 & 12, Jalan Modal 23/2, Seksyen 23 Kawasan Miel Phase 8, 40000 Shah Alam, Selangor, Malaysia. Printed in Philippines by FEP Printing Corporation, 3817 Mascardo St., Corner Metropolitan Ave., Pasong Tamo, Makati City. Printed in Singapore by KHL Printing Co. Pte. Ltd., 57 Loyang Drive, Singapore 508968. Printed and distributed in Taiwan by The China Post. 8 Fu Shun Street, Taipei 104. Printed in Thailand by Nation Multimedia Group Public Co., Ltd., 1854 Bangna-Trad Road, (KM. 4.5), Prakanong, Bangkok 10260. Published and printed on behalf of the Wall Street Journal India Publishing Pvt Ltd., 517B World Trade Centre, Barakhamba Lane, New Delhi 110001 by Mr Suman Dubey at A-8 Sector 7, Gautam Budh Nagar, Noida -201301 and PLOT No.EL208, TTC Industrial Area, Mahape, Navi Mumbai - 400710 (Maharashtra), India. Editor: Suman Dubey, phone: +91-11-6462 0215. ACP no. F2 (T/3) Press / 2009 FACSIMILE EDITION.